

 $\mathbf{Mi} \times_{\Delta^{1} \times \mathcal{C}_{-1, \lambda_{1}}}$

ackpool's tower of ge

PA Cia: " Call.

sole in Tage.

Make the first process the pro-

 $\mathcal{J}^{i,i\hat{\mu}\hat{\mu}^{\hat{\mu}}}$



Floating free How Russia exploits space technology



European elections The shape of the new parliament



Test case for good government

FINANCIAL TIMES

TUESDAY MAY to 1994

Japan's current account surplus falls to \$15.76bn

Europe's Business Newspape,

Japan's current account surplus, the source of friction in relations with the US, could be peaking, Japan'a ministry of finance predicted.

The surplus fell 16.1 per cent to \$15.76bn for March, with exports op 5.3 per cent at \$35.6bn and imports up 10.3 per cent at \$20.4bn. Also, both the current account and trade surpluses fell in yen terms during the 1993 financial year, the first drop in three years, according to the ministry. Page 16

Yemen oil industry 'at risk': Yemen's civil war, which has prompted the emergency evacua-tion of most foreign oil company expatriates, is severely threatening an industry long seen as central to the country's economic prospects, oil executives said. Page 16

González draws support from left wing: The left wing of Spain's ruling socialist party, headed by deputy party leader Alfonso Guerra, has come to the aid of the scandal-hit government after months of ostracism. The move came as judge Baltasar Garzón, the best-known magistrate in the country, said he was resigning his socialist seat because Mr González was not doing enough to curb corruption. Page 16

Bankers Trust replaces WM: Bankers Trust, the US-based bank, has replaced the iong-time chairman of WM Company, its performance measurement subsidiary, with a senior banking official. The move is aimed at huilding a "global" business selling its services to other bank clients. Page 18

Major under pressure on referendum: The UK's ruling Conservative party was in turmoil as prime minister John Major fought a rearguard battle against intense pressure for a referendum on the next steps towards European integration. Page 7; The right question time. Page 14



Minority shareholders of Associated British Foods, the milling, baking, sugar and other food products group, will be offered equivalent shares in a newly quoted company and a 10p a share special dividend as part of the reorganisation of the group's ownership. The plan will release

£130m (\$190m) to the founding Weston family. Chairman Garry Weston (above) said the family intended to retain control of AB Foods. Page 17; Lex, Page 16

US healthcare reform in trouble: US president Bill Clinton's proposal to require employers to provide health insurance for their workers, a central element of his healthcare reform plan, is running into difficulties in Congress. Page 5

Delay in naming Italian cabinet: Italy's president Oscar Luigi Scalfaro was reported to be delaying confirmation of Italy's 53rd postwar cabinet headed by media magnate turned politician

African development bank weighed down: Mounting arrears from borrowing countries and the need to make greater provisions against loan defaults cut the African Development Bank's net income by 31 per cent last year to \$112m. Page 4

Dalmier-Benz, Germany's biggest industrial company, is planning to place \$250-\$300m worth of oew shares in Singapore when it holds its longawaited rights issue, as part of the automobile-toaircraft group's strategy of internationalising its shareholder base. Page 17

Swiss bid values Cedest at FFr2.6bn: Holderbank, the Swiss-based international cement and aggregates group, is making an agreed bid for the cement, ready-mixed concrete and aggregates operations of Ciments et Engrais de Dannes et de l'Est (Cedest), for FFr2.6bn (\$456m). Page 17

Kemper seeks higher bid: Advisers to Kemper, the US investment group, were contacting other possible bidders for the company to try to elicit a higher price than the \$60 a share offered by GE Capital. Page 17; Lex, Page 16

AGF to forge link with SocGen: Assurances Générales de France, one of France's largest insurance groups, is to forge closer links with Société Générale after its privatisation, rather than Crédit Lyonnais. Société Générale and Crédit Lyonnais have for some months been competing to become AGF's strategic partner in the banking sector.

STOCK MARKET INDIC	ES	E STERLI	NG
FT-SE 100: 3,097.8 Yield 3.92		New York jun \$ 1.46	chtime: 17
FT-SE Eurotrack 1001,437.3	(-13.33)	London:	
FT-SE-A All-Strate	(-0.4%)	\$ 1.45	6 (1.48
FT-SE-A All-State1,566.43 Nildel19,786.96	(-75.51)	DM 2.480	1 (2.485)
New York: touchtime		IFF 8L498	6 (8.522)
Dow Jones Ind Ave3,646.89	(-22.61)	SFr 2.116	4 (2.113
S&P Composite444.92	(-2.90)	Y 153.85	6 (153.34)
E US LUNCHTIME RATES		2 Index 79	A (79.
Federal Funds:313%		E DOLLA	R
3-mo Treas BBIs: Yld4.323%		New York Jun	chtime:
Long Bond8432		DM 1.654	
Yleid7.507%		FFr 5.670	
E LONDON MONEY		SFr 1.413	7
3-mo interbank51/4%	6230	Y 182	.7
Liffe long gift future:ium 103% (J		London	
		ובמיו אפת	
NORTH SEA OIL (Argus		FFr 5,681	
Brent 15-day (June)\$16.21	(16.17)	SFr 1,414	
■ Gold		Y 202.87	
		\$ Index 65	2 (65.4
New York Cornex\$382.3	(386.2)	w	
London\$381.25	(375 <i>.</i> 3) i	Tokyo cłose Y	70241
	Lux.	LFI-95 Cotto	
Bahtari Dini 250 Hong Kong HK\$18	Maha	Lmago S.Ar.	
Belatan BF:65 Hungary R 185	Morocco	MDh15 Shg R 4.00 Slow	ekRo KSLS
Bulgaria Lin25.00 looland 80215	Meth	NeinSD South	Africa R120
Owner CC110 India Ref			

Yeltsin upset by plans for forces' Berlin farewell

By Leyla Boulton in Moscow and Judy Dempsey in Berlin

President Boris Yaltsin yesterday appealed to the west not to humiliate Russia after a row blew up in Germany over plans to exclude Russian troops from a farewell parade of Allied forces from Berlin.

American, British and Freoch troops are due to mark the departure from Berlin with celebrations organised by the city authorities on June 18, nearly 50 years after Berlin surrendered to the

But the Russians have been told they

cannot take part, and Chancellor Helmut Kohl has excluded them from the federal government's send-off due to be held in Berlin on September 8.

The German government and western allies have agreed on separate ceremo-nies on the grounds that the role of the Russian troops as an occupying force was very different from that of the

The planned farewell celebrations will be discussed by Mr Kohl and Mr Yeltsin, who arrives in Germany tomorrow for an official visit, and final details are due to be settled this week. Russia has been offered two civilian

ceremonies, in Berlin and in the southern city of Weimar on August 31, which Mr Yeltsin will attend. Moscow has made clear it sees plans for a sepa-

rate send-off as shabby treatment. President Yeltsin, reflecting hurt oatiooal pride, said yesterday during Victory Day celebrations in Moscow: "It is important to remember just one thing. "Russia must always be addressed in a tone of respect because our people will

oever accept anything else from any country, such is the will and testament of those who died defending the honour and independence of our Motherland." On a more conciliatory note, President

the west were also accompanied by unique opportunities to end our mutual distrust".

It is clear from the differing reactions in east and west Germany that the Rus-sian role is seen differently in both halves of the country.

Divisioos erupted yesterday within Germany's oppositioo Social Democratic party, which split along east-west lines on how to say good-bye to the remaining 46,000 Russian troops, who will officially leave on August 31.

East German leaders of the opposition Social Democratic party want the Rus-

Yeltsin added that disagreements with signs to be included in the ceremonies with the three western allies in the name of peace and frieodship. The Cold

War, they say, is over. But the west German SPD leadership including Mr Rudolf Scharping, the SPD leader, says the Russians must march alone. Mr Scharping yesterday backed Mr Kohl's government, arguing that a joint ceremony would confuse the role of western troops with Moscow's virtual

occupation of east Germany. The Red Army played a crucial role in the defeat of Nazi Germany. An esti-mated 27m Soviet citizens died during

Mandela sets his priorities

Eruption of joy for S Africa's first black head of state

By Michael Holman and Pattl Waldmeir in Cape Town

Mr Nelson Mandela yesterday completed his journey from prison to the presidency wheo South Africa's newly elected parliament chose him as the country's first black head of state.

The characteristic sounds and symbols of Africa echoed through the legislative chamber. Women ululated with joy from the African National Congress benches and a traditional Thembu praise singer, clad in skins and beads, chanted the new president's hon-

Erstwhile rivals embraced and apartheid's former defenders saluted their new chief. Men and women convicted of tresson swore an oath of loyalty to the new state.

They're all in this ...Page 15 together

Mr Mandela stood hand on heart as a military band played "Die Stem" (The Voice), anthem of apartheid South Africa. A white policeman saluted as the same band played the liberation hymn, "Nkosi sikele i'Afrika" (God bless Africa). Both are oow

official anthems. Mr Ronnie Kasrils, newly elected ANC member of parliament once known as the scarlet pimpernel for his efforts to elude the law, spoke for many when he said of the spectacle: "I have to

keep pinching myself." Shares on the Johanneshurg Stock Exchange welcomed the event with a 2.5 per cent rise as political euphoria dominated

For the day at least, old enmities were set aside. Mr Mandela appeared delighted to spot Inkatha leader Chief Mangosuthu

crossed the floor to embrace him He also went out of his way to greet General Constand Viljoen, leader of the rightwing Freedom Front, and Pan Africanist Congress leader Mr Clarence Makwe-

The government of national unity neared completion with the announcement of six ministers from the outgoing National party government, Mr Pik Botha, former foreign minister, becomes minister of mineral and energy affairs, Mr Roelf Meyer, chief constitutional negotiator, was named minister of provincial affairs and constitutional development, and Dawie de Villiers. Cape NP leader, was appointed minister of environment.

Mr Mandela made his first public address as president from the spot where in February 1990 he spoke after his release from 27 years in jail.

He told thousands outside Cape Town city hall: "Today we are entering a new era. Today we celebrate not the victory of a party. but a victory for all the people of South Africa.' He said: "We place our vision

of a new constitutional order on the table not as conquerors, prescribing to the conquered. We speak as fellow citizens to heal the wounds of the past with the intent of constructing a new order based on justice for all." In a section of the speech

aimed at minority communities, Mr Mandela pledged a social order "which respects completely the culture, language and religious rights of all sections of our society and the fundamental rights of the individual". While the majority rule princi-

ple was vital since the "vast majority had been systematically denied their rights...democracy also requires that the rights of political and other minorities be



Brothers in arms: Nelson Mandela embracing Chief Buthelezi in parliament yesterday

epare

Germany considers unilateral ban on beef

By Quentin Peel in Bonn

The German government will tomorrow consider a unilateral move to ban the import of British beef because of public concern over "mad cow disease", in defiance of the European Commission and the rest of the European

A draft regulation to control beef imports will be submitted to the German cabinet by Mr Horst Seehofer, health minister, on the grounds that a form of the disease - bovine spongiform encephalopathy (BSE) - may possibly be communicated to

The German government is pressing ahead with the ban in spite of warnings from Brussels that it will face injunctions and legal action in the European

Court of Justice. lts own experts have also expressed doubt that any unilateral ban can be effectively enforced because of the open bor ders in the EU. But health ministry officials insisted yesterday that the measure will be enacted

and can be put into effect. In London, Mrs Gillian Shephard, Britisb agriculture minis-ter, said a unilateral ban oo British beef by Germany would be unjustifiable and illegal under

the Treaty of Rome. Britain would take court action if necessary against Germany for creating an unfair trade barrier. but it looked to the European Commission to take action in the

Continued on Page 16

Bond prices fall after Fed leaves US rates unchanged

By Patrick Harverson in New York and Philip Gawith and Sara Webb in London

Long-term US interest rates rose to their highest levels for 18 months yesterday as Wall Street expressed its disappointment that the Federal Reserve had decided not to tighten monetary policy to

cool the US economy.

After last Friday's stronger-than-expected April employment report, coocern deepened on Wall Street that the US economy was growing too fast and bond market investors had hoped that the Fed would raise interest rates to prevent a revival of infla-

However, when tha Fed failed to signal a rate increase yesterday morning, bond prices quickly fell. By 1pm, the price of the benchmark 30-year bond was down almost three-quarters of a point, and its yield - the best measure of long-term interest rates - had risen to 7.61 per

The rise in bond yields upset the stock market, where

age was down 24.39 at 3,645.11 by dollar would fall to the le

Ipm.
The European government bond markets opened on a weak note in response to the decline in the US Treasury market on Friday afternoon, and spent most of the day "Fed-watching", as did the foreign exchanges. With the Fed bolding a \$29bn

quarterly refunding auction over the next two days, there were

Page 16 Government bondsPage 23 Currencies .. _Page 34 World markets_Page 38 expectations that it would lift

Mr Avinash Persaud, head of global currency research at JP Morgan in London, suggested that without such a move "they will be faced with a falling bond market and a collapsing currency, and that will not induce foreigners to participate in the

In these circumstances, Mr

CONTENTS

Init. Cap Mids

Mr Mandela was followed by an

ecstatic Mr Desmond Tutu, Angli-

can archbishop of Cape Town

The combined effect of resals in the upward trend Japan's current and capi accounts would be to weaken the Dow Jones Industrial Aver- Persaud predicted that the yen and strengthen the dollar.

Foreign Exchanges .

who flung his arms wide and declared "we are free today, all of us, black and white together. We	About
are the rainbow people of God".	About
ter Fed changed	to
dollar would fall to the levels at which central banks were forced last week to intervene in support. Figures released in Japan yes-	prepare
terday gave encouragment to the dollar. The unadjusted current account surplus for March fell 16.1 per cent to \$15.76bn, from \$18.79bn a year earlier, suggest-	your
ing that the huge surplus that has supported the yen might be starting to shrink. Figures released by the minis- try of finance also revealed a	1995
long-tarm capital surplus of \$21.92bn in March, the highest on record. This was the result of Japanese companies selling US and European bonds ahead of the March financial year end, and foreign buying of Japanese stocks.	budget
Mr Persaud said these capital figures, which explain the recent strength of the yen, were a one-off and unlikely to be repeated. The combined effect of reversals in the upward trend on	?
Japan's current and capital accounts would be to weaken the yen and strengthen the dollar.	the
27 Shere Information	system

The KPS System

Save months processing your budgets Corporate wide budgets in days KPS provides a complete distributed application

in days eliminating months of effort preparing

several versions of the budget. ► KPS interfaces with your GL KPS eliminates time spent manually re-entering

data from your GL and cost centre returns removing the likelihood of re-keying errors. Budgets can then be posted back to your GL.

Changing spreadsheet structures involves extensive effort. KPS enables managers to change account codes, cost centres and complex organisational structures without reprogramming.

► Fast response to change

Budgeting from any perspective KPS supports budgeting from a top down, bottom up or mixed perspective.

► Ad-hoc and Variance reporting Windows Reporter provides comprehensive graphics, ad-hoc and exception reporting.

► Working Management Accounting model

KPS provides links between your financial schedules enabling you to run the company from a Cash Flow, P&L or B/S perspective.

For a FREE Colour Brochure contact Adaytum Systems, 13 Great George Street, Bristol BS1 5RR. Tel 0272 21 55 55 Fax 0272 22 77 49

Name	Position
Address	
—· - ——·	
	Postcode
Telephone number	
TTTREA.	ADAYTUM

© THE FINANCIAL TIMES LIMITED 1994 No 32,362 Week No 19 LONDON - PARIS - FRANKFURT - NEW YORK - TOKYO

Strasbourg awaits a change of guard

By David Gardner in Brussels



EUROPEAN EUROPEAN parliament before next month's Euroelections, this is not the best of

times. The forlorn expressions on some MEPs' faces bore eloquent testimony to widespread predictions that between half and two-thirds of them are not coming back. When the Parliament reas-

sembles in July - as 567 members rather than 518 now, to reflect adjustments triggered by German unification - there will be a lot of new MEPs. Less 1994-99 intake will represent genuine new blood.

Party barons in Strasbourg say there has been more intense competition for Euroseats than at any time since the parliament became a directly-elected body in 1979.

But they acknowledge that, as in the past, many new members will be refugees recycled from national politics, and some party lists will be headed by figures who have no intention of setting foot in the parliament, except to collect their credentials.

In France, for instance, a host of former Socialist ministers have emerged at the top of two lists, one beaded by by Mr Michel Rocard and Ms Elisabeth Guigou, and another nonaligned list led by businessman-politician Bernard Tapie and environmentalist Brice Lalonde. But this looks more like an attempt to salvage something from the wreckage of last year's Socialist defeat. In Italy, by contrast, where

European parliament

·Reject the Commission's draft budget and ask for it to be revised

 Amend or veto most European measures passed by qualified majority voting • Disembas individual Commission members Discide EU revenues elielo determine future Commission through end-of-year approval Dismiss entire Commission with censure motion

Present parliament: total 518, from June 1994 the total number of MSPs will be inc - 16 Rainbow group (ARC) Liberal Democratic and Reformist group (LDR) European Democratic Alitance group (EDA) European People's Party European Socialist party group (PSE) 198 182 (Christian Democratic) group (EPP) 13 European Right group (ER) Left Unity group (LU)

Breakdown of MEPs 251 Total 65+ 64 (3) (1) (1) (1) (1) (1) (1) (1)

518 Unknown 5
Source: FT Stravy, based on Individual biographies in The Suropean Companion (1994)

150.

bent, German Christian Demodisgraced former Socialist tion of EU enlargement, the crat Egon Kelpsch, succeeded Strasbourg assembly will also

> Baron halfway through the But this bipartisan approach looks less assured with a probably larger and more cobesive Socialist bloc, and a more fragmented right. The main axis of the Social-

Spanish Socialist Enrique

ist Group will be Anglo-German. The UK Labour party, already the largest national group at Strasbourg, with disproportionate influence. appears likely to win 60 or presidency. The current incumthe increase in Germany's allo-

cation from 81 to 99 seats, the SPD should get around 45. "An Anglo-German deal in the Socialist Group is vital," says one senior parliament official, not only for the cohesion of the Group, but for the smooth run-

355 68.5%

348 67.2%

372 71.8%

376 72.5%

January 1994

ning of the assembly. The leadership of the socialist bloc is the single most infinential position at Strasbourg, and both Labour's Pauline Green and the SPD's Klaus Hänsch want it. A possible compromise might see the job go to Ms Guigon, European affairs minister in the last French Socialist government. The group leaders as a

ference of Chairmen - have become the driving force of the parliament, with increasingly professional etaff, and a cadre of experienced rapporteurs to steer legislation. But the other great prizes are the chairman-

ships of the most important committees. Parliament has the right to veto most legislation passed in Council by qualified majority vote, and to reject the new European Commission due to take over next year. The ability to turn these blocking powers into legislative influence will depend on the skills of committee chairmen and secre-

the political groups Bodies such as the parliament environment committee. headed by UK Labour MEP Ken Collins, already wield real legislative influence, and are among the most heavily lobbied units in the EU power structure. The struggle to control them will be fierce, but the parliament as a whole is beginning to set store by having experienced people in charge of

tariats and on the apparats of

As a condition for approving entry for new members Austria, Sweden, Finland and Norway, the parliament has won political pledges that MEPs will have a voice in the 1996 review of EU power-sharing.

As a body, Strasbourg is moving closer to the centre of EU decision-making. If all four applicants join next year, increasing the parliament's eize to 639 members, MEPs may even get their wish to move to Brussels, the seat of EU power.

France has persuaded its partners to make Strasbourg the assembly's permanent seat, but the existing parliament building there is too small. Building work on a new chamber in Strasbourg has started. but parliament has alsoacquired a buge building in Brussels that could fit in everyone - an environment of vaulted prominence matching the assembly's new ambitions.

EUROPEAN NEWS DIGEST

Delay in naming Italian cabinet

President Oscar Luigi Scalfaro was last night reported to be holding up confirmation of Italy's 53rd post-war cabinet headed hy media magnate turned politician Silvio Berlusconi The president was said to be holding reservations over the compromise arrangement worked out for two key posts, inte-rior and justice. This had been agreed by Mr Berlusconi carlier in the day with his two main allies in the Freedom Alliance - the populist Northern League of Mr Umberto Bossi and the neo-fascist MSI/National Alliance of Mr Gianfranco Fini. Ma Berlusconi had to allow the League's number two to take the Interior Ministry on the basis that the Justice Ministry was earmarked for Mr Cesare Previti, a newly elected senator for Forza Italia and Mr Berlusconi's principal lawyer.

President Scalinro has previously been critical of the interior portfolio going to the League, which is rooted solely in the north and has strong federalist demands. He also was said to have been concerned that Mr Praviti was too close to Mr Berlusconi's Fininvest media empire at a time when magis trates are investigating it.

Matters were complicated over the week-end by the reforal of Mr Antonio Di Pietro, Italy's best known anti-corruption magistrate, to take the post of interior minister as an independent. The issue is expected to be clarified today. If not it will be almost impossible to fit into this week the necessary confidence motions in the two houses. Robert Graham, Rome

French regional finance reform French prime minister Edouard Balladur has agreed to early reform of local government finance after his interior minister. Mr Charles Pasqua, threatened to resign if he did not. Mr Balladur had wanted to delay, until after the presidential election in a year's time, action on an issue that divides the

two components of his coalition government - the UDF centre-right, which believes in regional autonomy, and the RPR Gaullists, who believe in a more centralised state. But Mr Pasqua, the RPR interior minister, has championed the need for France's central government to step in to reduce growing regional fiscal disparities over the past decade, and as one of the most popular and populist ministers he was strongly placed to insist. a David Buchon, Paris

 $_{\rm flai}$ $V_{\rm dist}$

Schneider in tax evasion probe

Mr Jürgen Schneider, the German property magnate whose company went hankrupt with debts of up to DM5hn (£1.99hn) after he disappeared last month, is now under investigation for tax evasion, the Frankfurt prosecutor's office said vesterday. Mr Schneider is already under investigation for falsification of documents and is the subject of bankruptcy proceedings. A warrant has been issued for his arrest. Mrs Hildegard Becker-Toussaint, spokeswoman for the prosecutor's office, said the new investigation had been triggered by numerous Schneider employees reporting income on which they had not paid taxes and information from the tax authorities, Mrs Becker-Toussaint was unable to comment on newspaper reports that Mr Schneider had transferred DM242m to accounts in the Bahamas via London. Reuter, Frankfurt

New plan for Olympic Airways

Greece is due to present a revised plan for restructuring Olympic Airways, the loss-making state carrier, to the European Commission today. The government wants permission from the Commission to write off more than Dr400bn (£1.1bn) in accumulated debt and provide a capital injection for the company. The restructuring calls for cutting over 1,200 jobs. eliminating almost all long-haul routes and reducing the size of Olympic's fleet. In addition, wages would be frozen for up to four years. Olympic's unions have accepted the need for restructuring, including some job losses, but oppose the wage freeze. The airline's operating losses last year were Dr23bn, and are forecast at Dr24bn for this year, while accumulate debt is projected to reach Dr550hn. The Commission rejected as "unrealistic" a five-year restructuring plan for Olympic submitted last summer. Kerin Hope, Athens

Lot, American Airlines in pact

Lot, Poland's state-owned national airline, and American Airlines, one of America's biggest carriers, are to sign a memorandum of understanding today on a co-operation agreement According to Lot sources the agreement will involve no finan-cial links between the two airlines but a sharing of ticket and communications networks. Lot, which has a modern fleet of Boeing airliners, carried 1.4m passengers last year, 10 per cent more than in 1992. Last year the airline reported a modest Zloty 42bn (£1.25m) net profit compared with a Zloty 84bn net loss in the previous year. Christopher Bobinski, Warsow

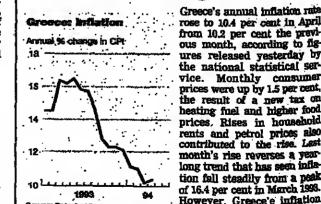
Serbs 'still have heavy weapons' The commander of United Nations troops in Gorazds said yesterday he believed the Serbs still had heavy weapons within the 20km weapons exclusion zone around the Bosnian Moslem town, in defiance of a Nato ultimatum. Lieutenaut Colonel David Santa-Olalla, the UN commander in Gorazde,

said, "I am quite certain that there are still heavy weapons being held within the zone." He added that the Serbs still had between 100 and 150 police in the 3km zone. UN officials say the police are in fact soldiers who have just changed their uniforms. UN Protection Force spokesman Eric Chaperon said Bosnian Serb leader Radovan Karadzic had assured Mr Sergio Vicira de Mello, the UN's head of civil affairs, that the troops would pull out of the Moslem enclave but nothing happened

Croatia is reviving the kuna, the currency used by the Nazi puppet regime of the second world war. It will replace the dinar, inherited from Croatia's days in the old Yugoslav federation, from May 30 - Croatian Statehood Day. Reuter, Zagreb

ECONOMIC WATCH

Greek inflation edges to 10.4%



rose to 10.4 per cent in April from 10.2 per cent the previous month, according to figures released yesterday by the national statistical service. Monthly consumer prices were up by 1.5 per cent, the result of a new tax on heating fuel and higher food prices. Rises in household rents and petrol prices also month's rise reverses a year-long trend that has seen inflation fall steadily from a peak of 16.4 per cent in March 1998. However, Greece'e inflation

rate is still more than three

times the EU average. The government, hoping to meet the target of single-digit inflation by the third quarter of 1994, has avoided price rises for electricity and transport, despite pressure from public utilities. Kerin Hope, Athens West German insolvencies rose by 29.7 per cent in February

from a year earlier to 1,710 cases, the Federal Statistics Office said. The total included 1,283 insolvent companies, up 32.0 per cent. In the first two months of 1994, west German insolvercies totalled 3,267, up 24.4 per cent, of which 2,418 were companies, up 27.5 per cent. The number of insolvencies in Austrian companies rose

sharply in 1993 to 5,082 from 3,658 in 1992, the Austrian credit-watch agency Kreditschutzverband von 1870 (KSV) said. Outstanding liabilities in the insolvencies rose to Sch?? 2hm (£1.82bn) from Sch23.6bn. ■ Swedish Gross Domestic Product growth was forecast at 1.8 per cent in 1994 and 2.5 per cent in 1995 by the Swedish commercial banking group Svenska Handelsbanken.

Bonn fears a low turn-out Greek minister says poll crucial Voter apathy could help the extremists, writes Quentin Peel tious, above all about the pro- Mr Edmund Stolber, the CSU

be leaders of all Ger-many's main political parties are watching the outcome of next month's European elections with con-

siderable foreboding. They fear that the general mood of political disaffection, compounded by a widespread feeling that the European parliament lacks real power, will lead to a low turn-out. That in turn would boost the chances of the extremist parties, such as the far-right Republicans, of gaining the necessary 5 per cent of the votes required to

win seats. In speech after speech across the country, both Chancellor Helmut Kohl and Mr Rudolf Scharping, his Social Democratic challenger, urge their audiences to go out and vote, to keep the extremists out.

The government's federal information office has joined forces with the European parliament, the German Bundestag and the European Commission to finance and launch a publicity campaign to encourage the maximum turn-out.

gimmick, from a Roger Rabbitlike figure in a cinema cartoon, through specially-printed telephone cards, to mobile vans touring through towns and villages, has been roped in to galvanise the electors. And yet most political observers remain convinced

that many voters will either stay at home, or vote for protest parties, come June 12. vote again [at the general elec-tion] in October," says Dr

so much bad feeling on so

THE FINANCIAL TIMES
Published by The Financial Times (Europe)
GmbH. Nibelengenjable 3, 60313 Frankfiert
am Main, Gernstay, Telephane ++49 69 156
S50, Fan ++49 69 596431, Telephane ++49 69 156
S50, Fan ++49 69 596431, Telephane ++49 69 156
S50, Fan ++49 69 596431, Telephane ++49 69 156
S50, Fan ++49 69 596431, Telephane ++49 69 156
G.M. Bell and Alan C. Miller, Printer: DVM
Druck-Vertrieb and Marketing GmbH.
Admiral-Rosendahl- Strasse 3a. 63263
Nee-Isenburg (owned by fifurityet
hotemational). ISSN: ISSN 0174-7653
Responsible Editor, Richard Lumbert, clo The
Financial Times Limited,
Number One Southwark Bridge, London SEI
9ffL, UK. Sharkolders of the Financial Times
[Europe) CmbH are: The Financial Times
[Europe) GmbH are: The Financial Times
[Europe) Ltd, London Stepholder of the
above measurated two companies is: The
Financial Times Limited, Number One
Southwark Bridge, London SEI 9ftl. The
Company is insorpurated under the laws of
Fineland and Wales. Commence C. M. Sear

Company is incorpurated under the laws of England and Wales. Chairman: O.C.M. Bell.

FRANCE
Publishing Director: D. Good, 168 Rue de
Reroli, F-75044 Paris Ceder, 01, Telephone (01)
4397-0621, Fax (01) 4397-0629, Pranter: S.A.
Nord Eclair, 15/21 Rue de Care, F-591(0)
Rossbax Cedex I. Editor: Richard Lambert,
ISSN: ISSN 1148-2753. Countilstion Paritaire
No 67808D.

Financial Times (Senadinavia) Ltd., Vimmel-skafted 42A, OK-1161 Copenhagen K., Tele-phone: 33 13 44 41, Faz 33 93 53 35.

coalition. Every conceivable publicity

"People are saying they can Karl-Rudolf Korte, of the Germany research group at the University of Mainz. "There is

Opinion poll standings: **European elections** Result CDU/CSU 37.8% 5.6% 8.4%

7.196 3.796

prime minister, Mr Bettino

Craxi, or the former Commu-

nist leader Achille Ochetto,

hardly ever turned up, the vic-

tor of the March election, Mr

Silvio Berlusconi, is contem-

plating heading several lists

It can be safely predicted

that the new parliament will

be more socialist in complex-

ion and more German in

accent. Germans will almost

certainly lead the Christian

Democrats and the Greens, and

As witnessed in recent

months, notably over ratifica-

could lead the Socialists too.

for Strasbourg

meny domestic political issues, I am sure people feel that this time they can let off steam."

' Smrid Der Spiegel pol May 1994

His gloomy forecast is not entirely borne out by the latest opinion poll (see table), which suggests a big swing hack to the main "establishment" parties, and only a marginal I per cent voting for the far-right Republicans. But no one quite trusts the polls.

Last time round, the Republicans won no less than 7.1 per cent of the national vote, considerably better than the Free Democratic party (FDP), the minority partner in the ruling

All the main parties have a hig interest in reversing that trend, not least by ensuring the largest possible turn-out Apart from overcoming apa-

thy, the established parties share an obvious problem in limiting the protest vote. All of them - Mr Kohl's Christian Democratic Union (CDU) and its Bavarian sister party, the Christian Social Union (CSU), Mr Scharping's Social Democratic party (SPD), and the FDP - are more or less committed to the cause of European integration. The German public, bowever, has been growing gradually more caumonetary union, and the prime minister, has expressed single European currency.

become more assertive of the

new legislative rights it won

through the Maastricht treaty.

a dominant force with 197

MEPs, is expected to gain beyond 220 members. Its main

rival, the Christian Democrat

European People's party group,

is likely to see its representa-

tion fall from 162 now to about

in the outgoing parliament, the two big blocs collaborated

closely, parcelled out the key

positions, and even shared the

The Socialist Group, already

Restrictions on the import of cbeap bananas from central America have not belped. Those who feel strongly enough about it have little alternative but to vote for a protest party.

An extraordinary array of no fewer than 23 different groups has been given the go-shead to stand in the elections, ranging from the Progressive Democrats (PDS), the former East German commnnist party on the left, to the

Republicans on the right. here is also the Alliance of Free Citizens, founded by Mr Manfred Brunner, once chef de cabinet to Mr Martin Bangemann, the senior German commissioner in Brussels, to mobilise the

anti-Maastricht vote.

The best thing for the big parties will be if all these smaller oues pick np a few votes, but none succeeds in crossing the 5 per cent thresh-

Mr Kohl, Mr Scharping, and Mr Klaus Kinkel of the FDP. are refusing to panic. All have restated their pro-European

The CSU, on the other hand, has clearly shifted towards a more Euro-sceptical stance, for fear that it will lose its seats in the European parliament

It has to win around 40 per cent of the poll in Bavaria in order to gain 5 per cent of the national vote, and Bavaria is the bome base for both the

cess towards economic and strongman and Bavarian exchange of the D-Mark for a open doubts about the ambition of creating a European "federal state", and about the Maastricht timetable for mon-

etary union. The other great unknown for the major parties is how the east Germans will vote in their very first Europeau

Germany will bave 99 members of the 567 in the next Strasbourg parliament, including 18 extra for the new east German states. Most east Germans appear

to regard the European Union Their greatest concern is that it should be rapidly opened to include their eastern neighbours - Poland, the Czech Republic and Hungary in particular - to help them revive old trading ties.

It is an open question how their doubt will translate into The hig parties have also signally failed to mobilise European, as opposed to domestic, political themes

Dr Korte cites the case of the Buropean parliament's own campaign poster - a scantilyclad Europa riding a sturdy bull through a flaming ring of European stars, with a motto urging voters to the polls. The poster was withdrawn after vehement protests from feminists, over its lack of

"As usual, there was no controversy about European policy. It was about women's rights," he said. "Even the European parliament could only stir up a domestic quar-



ministers council until June. A former lecturer in development economics at Paris university, he has practised law and edited a left-wing journal in Athens. How important are the elections? "They are a fundamental test of the European public's interest in European unification. They are the first elections allowing European citizens to participete whetever their place of residence."

Should the parliament be given greater powers? "The parliament will actively participate in preparing the 1996 conference to reform EU institutions. We should aim for an increased role for the only directly elected body for Euro-What should be the EU's pri-

orities in the next few years? "Employment and migration flows will be the main economic and social problems for the next decade. If we don't answer these two challenges positively, we will have a serious political and social crisis." Should the EU give priority to deepening integration among the 12, or to widening it towards eastern Europe? The enlargement to 16 has almost entirely exhausted the limits of the EU's capacity to absorb new members. Two small countries like Cyprus and Malta could start negotia-

tions in the immediats future. Further enlargement will entail radical reform of BU

Are you worried that Ger-



Pangalos: sees social priorities

man unification and an eastwards shift in the EU's centre of gravity could harm Greece's interests? "Germanisation' of the Union can be an irrational anxiety. Strengthening the EU is the best way to avoid such dangers. Loose co-operation limited to economic or commercial interests could produce or increase domination."

Will assistance for poorer EU states eventually have to be cut? "What you call 'assistance' is structural action aimed at increasing social and regional cohesion and helping recovery. "Such action is essential if we want more than e simple free trade zone."

Is the aim of economic and monetary union by 1999 still practicable? 'The Maastricht treaty provides the route to Emu. Some countries might not satisfy the criteria in 1999. and Greece might be one of them. Such countries will have to wait and make further efforts. The world will not end

Surge in Euro-polls has party big guns aiming at Marseilles' favourite son

Tapie's recovery unnerves Socialists

By Alice Rawsthorn in Paris

Mr Bernard Tapie, the controversial French politician and businessman, yesterday sought to quash speculation that he might contest next year's presidential election by claiming that his main political ambition was to become mayor of Marseilles.

"The next election, the only one that interests me, is the Marseilles election," he said on French radio. "None of the others interests me at all." Mr Taple, who holds a parlia-

mentary seat near Marseilles and was briefly minister of urban affairs in the last Socialist cabinet, has come under fire from the Socialist establishthe campaign for next month's European elections. MRG.

ment because of the success of tary elections by building on MRG, his radical left group, in their gains in this spring's their gains in this spring's local vote Ms Martine Aubry, a former

Mr Tapie has come under fire from the Socialist establishment because of the success of MRG, his radical left group, in the campaign for next month's elections

recently dubbed Les Tapistes by the French press, has risen steadily in the opinion polls. It now commands the support of around 10 per cent of the electorate, thereby jeopardising the Socialists' hopes of repairing the damage caused by their

Socialist minister who is the daughter of Mr Jacques Delors, president of the European Commission and a contender for the Socialist presidential candidacy, on Sunday accused Mr Tapie of having "no concrete ideas" to offer voters and of "showering people with illusions". Her criticism was ech-oed by Mr Michel Rocard, Socialist first secretary and Mr Delors' chief rival for the presidential candidacy, who said that he was "in complete intellectual agreement" with Ms Aubry on the Tapie issue. So far the opposition of the

establishment appears to have enhanced Mr Tapie's popularity with the French public, rather than detracting from it. He has always cut a flamboyant figure in the élitist world of French politics as one of the few self-made men ever to have

made it to the top. His popularity has even survived a series of scandals over his business dealings. Mr Tapie has not only been implicated in

the allegations of match-rig-ging against Olympique-Mar-seille, his football club, but is under investigation in a fraud FFrlm (\$170,000) by the French stock market authorities for releasing misleading information about one of his old business interests. These revelations, coupled

with the recent decision by Crédit Lyonnais, his bank, to cal in his loans, have served to reinforce Mr Tapie's maverick reputation and have helped fuel Les Tapistes' rise in the opinion polls. The French media has been swift to draw parallels between Mr Tapie and Mr Silvio Beriusconi, the new ltalian prime minister.

mail imminee refor

in name Estonia protests at | Hungary's left in poll uprising cabine 'invasion threat'

By Bruce Clark

Mr Juri Luik, the Estonian forelgn minister, yesterday accused Russia of threatening to invade his country by issuing veiled warnings that the former Soviet garrison in the Baltic republic might be

He told a meeting of the Western European Union in Luxembourg the Russian statements were "unacceptable if not ludicrous" and said they should be denounced by the international cemmunity as open intimidation. He was referring to a statement last Friday by General Pavel Grachev, the Russian defence minister, that Moscow could "provide reliable security" for its bases in Estonia if political circumstances changed

Estonia was one of nine nations from the former eastern bloc admitted yesterday as "associate partners" in the WEU, the loosely-knit defence grouping which is gradually acquiring strength.

The new status will give the ex-communist countries con-

but no defence guarantees. It marks an important step for the European Union as it tries to strengthen its political and military ties with eastern Europe and the Baltic states

without alienating Russia.

All six states - including the Czech Republic, Hungary, Poland, Slovakia, Bulgaria and Romania – as well as the Baltic trio are being treated as future EU members.

Estonia about withdrawing the 2,600-strong garrison broke down last week and Moscow said it would not name a date fer renewing them until the Baltic republic came up with more "constructive" proposals. Earlier the two sides had agreed in principle on a with-drawal date of August 31. Estonia says a formal agreement was ready to sign at the end of March, but Russia unex-

The main sticking point has been the rights of "retired" Russian officers in Estonia, seen by the Baltic republic as a potential cover for the reten-

pectedly started reopening old

officers in their 30s.

According to Estonian estimates, the 10,600 residents of the republic who draw Russian military pensions include 1,000 people under the age of 50, and 360 who are below 45. Among the latter group are paratroopers and counterintelligence

Estonia insists it will not follow the example of Latvia. which secured a troop withdrawal deal by passing up the right to vet the military pen-sioners on its soil and granting Russia access to an important radar station. Tallinn is resisting new Russian demands for the retention till the year 2000 of 200 military personnel at the sensitive naval and nuclear reactor base ef Paldiski.

The three Baltic republics have set up a joint peace-keeping battalion which uses English as a working language and is receiving belp from Britain. Other providers of military knowhow to the region include Sweden and Finland, which yesterday backed away from their traditional neutral Ity and joined the "Partnership for Peace" devised by Nato.

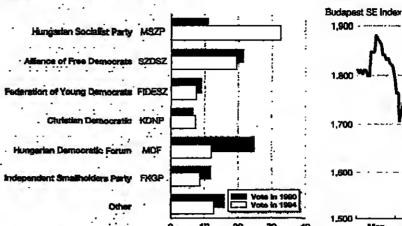
Only the liberals can prevent a landslide by ex-communists, writes Nicholas Denton

ungarian bberals yesterday began an uphill battle to stop the former communists translating their victory in Sunday's parliamentary elections into a landslide in the second and decisive round of voting on May 29.

With 32.5 per cent of the vote, the Hungarian Socialist party, the successor to the communist regime, won 55 seats, took the lead in a further 158 and came within reach of an outright majority in Hungary's 386-seat parliament.

The Hungarian slections establish as a firm trend the nists in the region on a tide of public disillusionment with the pain of economic transition. Socialists are back in power in Poland and Lithuania and only in the Czech Republic have the ruling conservatives maintained their popularity.

The Socialist surge came at the expense of the governing conservatives. Voters, bitter at the decline in their living standards, gave the Hungarian Democratic Forum only 12 per cent of the vote. But the liberal Alliance of Free Democrats. whose 19.4 per cent of the vote Hungary: return of the left



put it in second place, called on voters yesterday to switch te it in the run-off election lster this month to avert a Socialist political monopoly.

A Free Democrat comeback would deny the Socialists an outright majority and make the most likely outcome of the election a coalition between the two parties. As in Poland.

may offer the premiership to the leader of their smaller activity did begin there were cealition partner, the Free few price movements and the BSE index closed down just 1.56 on 1619.22.

Hungary's stock market had discounted a strong Socialist showing in the elections but the prospect of an outright majority for the former commimists caused consternation Only one transaction took

These special securities can be used to buy state property, and while the Socialists have said they will continue with this privatisation programme, the market doubts they will be as generous as the current government in offering state companies for coupons.

A public offering for compensation coupons of shares in Danubius Hotels, one of Hungary's three large hotel chains was massively oversubscribed as investors sought to reduce their holdings of the securities. Mr Laszlo Bekesi, the former and likely future Socialist finance minister, also said in immediately half the small shareholder programme, a Hungarian variant of mass privatisation which allews small investors to pay for public issues on an instalment basis. But Mr Bekesi, who represents the strong technocratic

wing of the party, reaffirmed the Socialists' overall commitment to privotisation. He indeed suggested he would open the economy further to foreign investors, who have already injected more than \$7bn (£4.7bn) into Hungary in

Ex-communists embrace a half-capitalist Bulgaria

Virginia Marsh on an emerging private sector dominated by the bright young party and intelligence officers of the 'perestroika' years

n Bulgaria's transition to a market economy - as in other former east bloc countries - It is former senior communists and secret police officers who have been among the quickest to embrace capi-

"There is little doubt that communist capital is behind many of the leading entrepreneurs one sees in Bulgaria today. says a western observer. "They will tell you they founded their media empire with two typewriters in a one-room office. What they don't tell you is that the next week they somehow managed to raise a couple

of million dollars." Many of the self-styled "Group of 13". the name given to the business lobby recently founded by the country's largest private companies, started business this way. Between them, the G-13 control a large part of the country's emerging private sector. Their empires include banks, insurance companies, stock exchanges, large trading and financial companies, real

estate developments, television channels, and newspapers. Some G-13 companies already have annual turnovers of more than \$1bn (£685m).

Several G-13 executives were among those sent abroad in Bulgaria's "perestroika years" of the 1980s by the Bulgarian Intelligence Service, the former regime's secret police. Bright young officers were sent to top business schools in Europe and the US or to work in foreign trade companies which were often used as conduits for Communist party slush funds,

The BIS aimed to step up its industrial espionage activities through a network ranging from Liechtenstein, Austria and Switzerland to Silicon Valley in the US. These included the diversion of embargoed high technology equipment and information to the then east bloc.

Once communism collapsed, former BIS employees with a foreign education and contacts, and alleged access to the regime's foreign bank accounts, were in a

prime position to go into private business. The G-13's kingpin is Mr Ivan Pavlov, head of Multi-Group considered the most powerful of the G-13 companies. A former professional wrestler, Mr Pavlov married

a sugar plant recently purchased from the state in one of the country's biggest privathe daughter of the bead of military count-Mr Pavlov is also believed to control

The self-styled Group of 13's empire includes banks, insurance companies, stock exchanges, large trading and financial companies, real estate developments, television channels, and newspapers

er-intelligence and worked with deposed dictator Todor Zhivkov's son in law as an art dealer in the 1980s, before moving to Malta. There he traded scrap Soviet submarines with, be says, Turkish financing.

Once back in Bulgaria be expanded into metal and oil trading, agro-businesses and providing security services. Multi-Group now employs 3,500 in 50 local companies

nine casinos, seven in Bulgaria and two in Paraguay. Until recently, one of Multi-Group's "consultants" was Mr Emil Doynov, a former business associate of the late British publisher Robert Maxwell and brother of Oguyan Doynov, a senior com-munistera minister. The Doynov brothers

are widely held to be behind Multi-Group.

Many consider that Multi-Group and

including a bank, insurance company, the

the fringes of the law, gaining positions through their contacts in political circles country's most active stock exchange and and in the state enterprise sector, which still accounts for 90 per cent of industrial production.

other similar G-13 companies operate on

One well-used scam is for privatelyowned trading companies to over-charge state companies for raw materials or buy products cheaply and sell them on with a big mark-up. Another common practice is for companies to operate through offshore subsidiaries to avoid local regulations and to qualify for tax and other benefits

reserved for foreign investors. The government is belatedly taking steps to crack down on fraud and to strengthen tax administration after a 50 per cent shortfall in expected revenues last year. However, Mr Dimitar Kostov, the deputy finance minister, says. "There are suggestions that not all the methods used by C-13 companies are legal. We do not have facts that they are avoiding tax.

Rather, they are finding legally-based

incentives. He also denies that the G-13 are as powerful or as dangerous as they are made out to be. But many in business and diplomatic circles fear that their activities set a bad precedent in a country which is already lagging behind in implementing reform and where many are ambivalent about the transition to a market economy. There is also concern that G-13 companies, which, fearing foreign competition, have started s campaign to protect "national capital", are prepared to sabotage efforts by foreign companies to participate in privatisation or invest in Bulgaria.

A western banker in Sofia says: "These companies have the power to poison the scene, the ability to buy politicians. There is clearly a need for regulation before it is too late. Today these guys work in broad daylight; in five years' time it will be much more difficult to trace their tracks



WORKS FOR LIFE

TECHNOLOGY THAT

Through cemmitment

Compensation coupons, the

vouchers issued by the conser-

vative government to owners

of property confiscated by the

former communist regime, feli

to an all-time low of 49.5 per

innovation and an emphasia on total quality, Samsung has beceme end ef the world's fastest growing tochnology resources Samsung is net only on the ferefrent of oloctroeics. but has received worldwide recognition for advance in enginocring as wolf-Below are just a few axomples of how Samaung quality and technology are working 5803, 65733, Eschborn,

ELECTRONICS 199-gram collaiar phene High-definition TV 64M DRAM semice Notebook PC Heme service robo ENGINEERING

Germaey. Phone 06196-570100.

Fax 06196-74648.

Offshore oil and gas platform Dozers, excavaters and loaders Chemicals Doable-hall oil tankarı

Total loan arrears (LIA* 401.5m)

duding arrears to ADF)

Debts from troubled countries compel cut in lending for third year and tougher sanctions

Mounting arrears weigh on African bank

By Leslie Crawford Africa Correspondent

Mounting arrears from borrowing countries and the need to make greater provisions against loan defaults reduced the African Development Bank's net income by 31 per cent last year to \$112m.

The AIDB's financial results presented yesterday at the bank's annual general meeting in Nairobi, are only marginally healthier than the sickly contineot it was set up to help. Arrears owed to the bank and the African Development Fund, its soft loan arm, rose to \$700m in 1993, against dishursed and ootstanding loans of \$8.4bn. Most of the arrears are chronic debts from broken countries such are Zaire, Liberia and Somalia

Others are from AfDB members who are sinking deeper

Thousands of Palestinians waving their national flag and

singing traditional songs about

Israeli occupation.

camped on the Jordanian bor-

der waiting to cross into Jeri-

cho, the future seat of the Pal-

Israeli políce in Jericho ves-

terday loaded desks, filing cab-

inets and kitchenware on to a

flatbed truck in preparation for

police force will number 9,000,

7.000 of them from outside the

Donkey carts and cars

Mr Laurie Connell, the West Australian

businessman and former bead of Roth-

wells bank, which backed a number of

the nation's "entrepreneurs" in the

1980s, was yesterday found guilty of

conspiracy to pervert the course of jus-

The jury in the Perth district court

acquitted Mr Connell of another count

of conspiring to fix the 1983 Bunbury

Cup, a regional horse race run about

But they decided Mr Connell was

behind payments worth more than A\$500,000 (£238,000) to Mr Danny

Hobby, the former lockey who was rid-

occupied lands.

By Nikki Tait in Sydney

140 miles south of Perth.

estinian administration.

into poverty. Excluding South Africa, the continent's gross domestic product grew by only 1.4 per cent in 1993, less than half the rise in population

To keep its international

credit rating, the AfDB cut lending for the third year running and began to apply tougher sanctions against defaulters. As a result, Gabon and Kenya have brought their interest payments up to date, while the Cameroon, which is \$95m in arrears, is negotiating an assistance package from the IMF and Paris Club which will allow it to clear its outstanding debts with the AfDB.

Bank governors say they are concerned with two main issues: how to deal with the mounting arrears and the serious managerial and policy shortcomings which plague the bank. In addition, some governors have begun to question

African Development Bank Average return (%) Nat Income (M UA")

the bank's continued ability to

provide long-term development

finance when most of its cli-

ents can no longer afford its

ued to lend on hard terms to

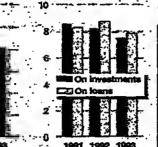
Palestinians await policemen's return

Julian Ozanne in Rafah watches preparations for a heroes' welcome

The arrears have piled up in

because the bank contin-

commercial lending terms.



countries which had no creditworthiness," says Mr Eberhard Kurth, Germany's representa-tive on the board of governors. We are telling the bank that Germany's future support will depend on better lending poli-cies and increased efficiency."

Africa's growing impoverishment is placing greater demands on the African Development Fund. But its coffers are empty. Industrial countries, which own one third of the AIDB and donate funds

"The whole world is here watching you," shouted one mershal in a camouflage

jacket. "People are going to

judge us by how we behave

here. This is a historic day for

celebrating, not for throwing stones," PLO officials urged

But at least 10 Palestinians

were wounded by Israeli sol-

diers In incidents across the

who remain suspicious and

hostile to Israel, clearly intend

to taunt and harass departing

Israeli soldiers who are set to

evacuate the Strip within days.

teenager yesterday set about

bringing down a road sign in Hebrew with a hacksaw.

delay on PLO ill-preparedness and said they had wanted Mr

Arafat to name his 24-member

"cabinet" before allowing

police into Gaza-Jericho. Pales-

tinians said part of the delay

was caused by difficulties air-

lifting policemen from conflict-

Israeli officials blamed the

In a sign of defiance one

the crowd by loudspeaker.

139.4 (34.8%)

44.2 (11.0%)

67.3 (16.9%)

69.1 (17.2%)

80.7 (20.1%)

concessional window, are ref-using to replenish the ADF until the bank streamlines its bureaucracy and tightens its lending policies.
Governors came to the Nai-

robi meeting armed with a damaging report of external consultants that depicted the bank as a top-heavy institution with little control over its lendwith fittle control of the have had too many promises of reform in the past, Mr Kurth says. This time we are seeking legal safe-guards to the the release of concessionary funds to improvements in the bank's governance and lending poli-

US Treasury officials say it is unlikely new funds will match the \$3.4hn pledged three years' ago, despite Africa's increase need for concessionary finance. With luck, they believe donors might pledge \$20n soon.

Syrians turn to entrepreneurs for big returns

very month, thousands of Syrion investors make their way to the centre of Aleppo, the second largest city in Syria, to collect substantial dividends on their savings. They pass the empty and dilapidated state-owned Commercial Bank of Syria, and enter plush and computerised offices of Anas Trading Corporation, run by a private sector entrepreneur, Mr Mohammad

There they receive a bandsome yearly interest rate of between 30 and 40 per cent, paid in monthly instalments. Sums invested range from SE5,000 (about \$108) to S£10m (about \$217,400) and Mr Kallas has more than 4,000 individual investors on his books.

While the Syrian government talks limply about open-ing a Damascns stock exchange and reforming tha banking system, Mr Kallas thriving business is already

fulfilling such services.

Few Syrians deposit their savings in the government banks. Although interest rates are between 5 and 12 per cent annual inflation rates of over 15 per cent means they would lose in real terms, Since It is illegal to take local currency out of the country, ordinary Syrians frequently complain they have few places to put their money.

Mr Kallas says he has a capital of more than S£2bn from people of all walks of life. He explains that depositors' money is invested in the corporation's export-oriented industries, such as its clothes and cotton processing factories, fruit juice plants, and engineer-

ing shops. The interest paid on accounts is based on profitmargins and while a provisional rate is paid each month, the final dividends are calculated at the end of each year. Unlike a bank, however,

there are no government guarantees against losses. There are no shareholder meetings, company reports, or regulations to protect investors from fraud, Aleppo remembers only too clearly a number of seem ingly successful operations like Anas Trading which collapsed overnight in the late 1980s. And there are plenty of others offering the same kind of service as Mr Kallas who could go under anytime.

Thus, predictably, the market is ultra-sensitiva to rumours. Mr Kallas recounts that two months ago, speculation that Anas Trading had gone bust spread through Aleppo like fire. In one morning, depositors demanded the

return of S£60m which was

paid the same day out of the

people realised they could get their money back, however, most of it was re-deposited the

next day, he says.

At the root of Mr Kalles' success is widespread frustration among Syrians at the slow pace of economic reforms. Lib. eralisation of the economy began in the 1980s, but the essential pillars of a comm economy - a massive public sector, over-valued exchange rate, trade restrictions and foreign exchange controls remain intact.

Although in many areas the private sector is doing well -benefiting especially from the Encouragement of Investment Law No 10 of 1991 which offers tax and import incentives the regime remains cautions about relinquishing too much

farron pr

Frustration at the slow pace of economic reform is forcing investors into the private sector, writes James Whittington

Privatisation of state assets is firmly off the agenda. The government says it prefers to reform" the banking system rather than open up to private and foreign banks, and the possibility of a Damascus stock exchange remains in the hal-

Mr Rateb Shallah, president of the Syrian Chambers of Commerce, argues that opening a stock exchange would not only ease the current liquidity problem but allow more people to invest in the private sector.

With over 950 projects approved under Law No 10 there is no shortage of private companies to enter a primary market. Mr Kallas says he would be the first formally to float his company. Furthermore, a bourse would provide the private sector with the kind of capital resources which domestic banks cannot.

The draft bill for a stock exchange has been ready since last year for presentation to the People's Assembly for approval. Problems of regulation and control are cited as the main sticking point. But until the government makes up its mind, individual investors will have no choice but risk trusting their money with the likes of Mr Kallas.

Israel lifts rate by half point

Israel raised its prime interest rate 0.5 percentage points yes-terday as the central bank con-tinued to try to damp prices to meet this year's 8 per cent annual inflation target

Mr Jacob Frenkel, govern of the Bank of Israel, sought to allay fears among Israeli manufacturers and Finance Ministry officials worried about the impact on sales and economic growth from interest rate rises.

"This is a moderate change," Mr Frenkel said.

Yesterday's increase, the second this year, raises the Bank of Israel lending rate to commercial banks from 10.5 to 11 per cent. Mr Frenkel said the adjustment was nece to tighten monetary policy after the bank assessed that inflation was 10 per cent on an annualised basis

Mr Frenkel blamed housing prices, increasing at 20 per cent a year, for the govern-ment's problems with inflation. "Privatisation of government land and changing the designation of land to allow more residential building will help. But the policy is not yet fully implemented and the

fight against inflation cannot wait. He would "not hesitate" to increase interest rates further if necessary. Australia

Australia is significantly to broaden its business immigration programme, in the hope of attracting wealthier individuals prepared to invest in the

Individuals will be asked to make a three-year investment of at least A\$750,000 (£357,000), to be placed in government securities, although applicants will still have to demonstrate "business or investment achievement" and pass a points test, in which age and English language ability will

Temporary residents who

nently from 1995," for example. The new class was designed for business people who did not want to commit themselves

debate in Australia. One school is facing double-digit levels of tends to offset this negative

Yesterday, the opposition attacked the business skills changes as questionable. "This is nothing more than a buy-avisa scheme to enable the goveroment to fund its budget def-icit," Senator Jim Short said. Total number of permitted immigrants will rise by 10,000



Lebanon PM and president disagree

Lebanese Prime Minister Rafik
al Hariri and President Elias
Hariri wanted to bring four
new ministers into the 30-mem-Hrawi locked horns yesterday over a planned government reshuffle, Renter reports from Beirut.

The billionaire prime minister put off all appointments. stayed at home and cancelled tomorrow'a regular cabinet

meeting; emerging only to greet bundreds of supporters who flocked to his Beirut residence in a show of solidarity. The two meo agreed last week during a visit to Syria, the main foreign power broker in Lebanoo, to strengthen Christian representation in the cabinet but have since disagreed over the extent of the

reshuffle and the new names to be brought in. Relations between the Syrian-backed government and the onca-dominant Christian minority bave been tense in recent weeks and the proposed changes appeared an attempt to improve them by bringing in

more representative Christian Political observers said Mr new ministers into the 30-mem-ber cahinet - two heavyweight Maronite Christian politicians representing influential Christian political parties, a Sunni Moslem and a Shi ite Moslem. He also wanted to swap several portfolios, including interior, defence and information, among the present ministers.

The observers said Mr Hrawi objected to the names Mr Har iri was proposing. He was pressing for a broader reshuffle amounting to a change in government that would reduce the strength of Mr Harirt's supporters in the cabinet while increasing the Christian representation.

Complicating the dispute. parliament Speaker Nabili Berri rejected Mr Hariri's 305 gestions and insisted that a Shi'ite should be named finance minister. Mr Hariri, a Sunni Moslem.

currently holds the finance portfolio with Sunni Moslem Fouad Siniora, a closs aide, as ministar of state



An official Denish observer from the Temporary International Presence in Hebron, on the first day of a mission to promote security, holds a list of complaints from a Palestinian yesterday

flag and pictures of Mr Yassir Arafat, chairman of the Palestine Liberation Organisation, choked the road to the cross-

Eventually the Palestinian and children waited on sandy dunes for their first glimpse of their exiled countrymen's

homecoming. Near the crossing Palestin-

and Abu Jihad, the former PLO number two who is believed to have been assassinated by the

As the policemen were delayed several hours in crossing the border terminal, frustration overtook the festival spírit and Israelí police and soldraped with the Palestinian ian men beat drums, women diers fired rubber bullets, per-fleet of buses.

Laurie Connell found guilty of conspiracy

Connell, said.

former tycoon.

ululated and PLO activists cussion grenades and tear gas chanted praises of Mr Arafat to push back unruly young

soldiers chased excited youths through almond orchards and brought jeeps and a truck with two water cannons to clear the road which will carry the policemen, dressed in olive safety and security and end the drah uniforms, into Gaza in a occupation. Things will start to

eration that they had to find a way

out," Mr Alec Shand, QC, acting for Mr

Irish bus driver and the great-grandson

of West Australia's longest-serving

police commissioner. He became a

prominent figure in the 1980s, when he

was an important business contact of

Mr Brian Burke, then Western Austra-

lia's Labor premier, and a close associ-

ate of Mr Alan Bond, the Perth-based

In its heyday, Rothwells, Mr Connell's

merchant bank, presented itself as an

aggressive financial institution. He

became known as "Last-Resort Laurie"

for taking on clients others were reluc-

Mr Connell now 48, is the son of an

Throughout the afternoon

torn Yemen.

Older Palestinians, bowever, were less impatient. "We have been waiting years for this day; a few more hours

ert Holmes à Court, Mr John Elliott,

and Mr Brian Yulll. But the effort was

doomed and Rothwells was liquidated

in 1988. Five years ago, Mr Connell was charged with a series of Rothwells-re-

lated matters, due to be heard in a

Mr Connell woo fame for making the

biggest bet in Australasian history, winning ASSm after backing the win-ners in the Melbourne and Caulfield

Perth court later this year.

won't hurt," said Mr Abdel Malik el-Masri, 42, a farmer.

"The policemen are our soldiers and they will bring us

boosts But the bank proved heavily bor**business** rowed and ran into difficulties immediately after the 1937 stock market crash. Mr Bond tried to organise a rescue immigrants package, with backing from businessmen such as Mr Kerry Packer, Mr Rob-

By Nikki Tait in Sydney

have "a record of substantial financial commitment to their own business in Australia, and who have been actively involved in its operation and management for at least one year, will have the opportunity to remain in Australia perma-

immediately to hands on business activity in Australia as previous rules had stipulated, Mr Nick Bolkus, immigration minister, said. Immigration levels have

been the subject of heated of thought argues that the additional supply of labour is detrimental when the country unemployment. However, a number of academic studies have suggested the additional demand within the economy



Memory fails Bond in asset hearings Nikki Tait on the court questioning of a bankrupt Australian tycoon

the race ended. Mr Hobby left the coun-

try and the payments were supposedly

made to him to stay out of Australia and the reach of police for nine years.

and evidence from more than 100 wit-

nesses. The jury deliberated more than

35 bours over six days before reaching its verdict. Sentence will be passed

tomorrow; the maximum penalty for the charge on which Mr Connell has

been found guilty is seven years' jail.

Lawyers for the businessman said be

would appeal, adding they believed the

jury, which returned a unanimous deci-

sioo, bad reached a compromise to

release themselves from further deliber-

ation. "I have a suspicion in my mind

The verdict came after a 106-day trial.

For the past week Alan Bond liabilities of more than has sat in a packed Sydney A\$700m.

Courtroom facing a barrage of The main cootention of Mr questions about the whereabouts of bis former assets. The questions have come from the former tycoon's bankruptcy trustee, appointed by the court to act on behalf of his creditors, and from the liquidator of Dallhold Investments, Mr Bond's privately-owned investment holding company. These are the hearings

which the Perth-based entrepreneur bad long sought to avoid, saying that illness, depression and brain damage resulting from open heart sur-gery rendered him unfit to take the stand. Now that he is under oath in the witness-box in terms of Australia's bankruptcy procedures, his performance has ranged from that of a sorrowful amnesiac to a feisty barracker.

Starting with a one-man painting company, Mr Bond built an international media. brewing and property business led by Bond Corporation Holdings, a quoted flagship with assets of about A\$10bn

It all began to fall apart with the stock market crash of 1987 and ended in bankruptcy in 1992 with debts and contingent

Francis Douglas QC, acting for the bankruptcy trustee, is that a series of companies or trusts were set up in the Channel Islands during the 1970s and 1980s to hold Mr Bond's personal assets, but that these were never declared in the nent of affairs when Mr Bond went bankrupt in 1992. The names of the entities included Kirk Holdings, Icarus Trust, Engetal, Piaonla, Bit-tern, Lindsay Trading, and Panamanian-registered Juno Equities, which supposedly operates out of Switzerland.

According to the trustee Kirk Holdings was used to buy property in the UK, paintings from Neville Keating Pictures, art consultants of London, shares (including shares in Bond Corporation) and horses for Mr Bond's daughter, Suzanne. According to Mr Douglas, it eventually became too well-known as a "Bond company" after Suzanne's divorce proceedings in 1987 and was wound up, its assets being transferred to Juno. Mr Donglas has produced

enough paper work to suggest

that Kirk Holdings was dealing in large sums. In late 1986, for

example, Kirk allegedly instructed Touche Ross's Jersey office, via Allied Irish Bank, to transfer US\$2.75m (£1,38m) to Mr Bond's account at Arbuthnot Latham, the London merchant bank. In early 1987, \$541,700 went to James Capel, to buy shares on behalf of Kirk, Mr Douglas said. Tha trustee's problem is that Mr Bond says he cannot recall anything about most of these

entities. He cannot remember

Touche Ross in Jersey, which

organised and administered

the offsbore companies. He

Bond: few recollections

airport, to sign some papers. Where evidence to the contrary has been presented - for example, bank payments or letters signed by Mr Boud - be has modified his response. Without admitting any know-ledge of the Channel Islands vehicles, he has tended to suggest that they must have been related to other entities in the complex Bond group.

When Mr Douglas produced a deposition (the result of a question-and-answer session with lawyers) from Mr Geoff Davies, in which the Touche Ross partner said that he believed Kirk was for the ultimate benefit of Mr Bond, his wife and his family, Mr Bond said simply that he had never dealt with Mr Davies.

Mr Bond has also insisted that certain assets which the bankrupicy trustee believes were the former tycoon's, belong (or belonged) to Mr Jurg Bollag, Mr Bollag, Mr Bond acknowledges, is a Swiss businessman and friend, who was one of the four people permitted to give instructions to Touche Ross on Mr Bond's behalf. He has also helped pay Mr Bond's legal fees.

included in the Bollag cate-

Jersey once, but only to the Chelses, in which Mr Bond's son fived for several years, and which was sold last year for £510,000, and a London apart-ment sub-leased to Diana Bliss, Mr Bond's former girlfriend. Mr Douglas asked. "Was there any reason why Diana Bliss should be able to per-suade Mr Bollag to buy and sub-lease" a property? "I don't recall I doo't think we were

> She met Mr Bollag separately," Mr Bond replied. But while the bearings have constituted a public forum for the discovery work done by the trustee, and will, perhaps, persuade creditors that efforts are still being made on their behalf, what happens now is

Pursuit of more information. via Mr Bollag in Switzerland. is a possibility and a task which the trustee has begun. But it will be time-consuming. And even if the trustee's suppositions are correct, there is little guarantee that assets will be sitting in a Swiss bank waiting to be returned.

seeing each other at the time.

Meanwhile, bearings on behalf of the liquidator of Dalihold, which began late yesterday morning were adjourned after Mr Bond reported dizzy thinks be might have been to gory of assets was a house in spells and pains in the chest.

diate respite from domestic

criticism, but fresh comments

yesterday by a senior White

House adviser on the number

of refugees who might he

admitted to the US threatened

Mr Sandy Berger, deputy

national security adviser, said

that only 5 per cent of about

1,300 Haitians recently inter-

cepted on the high seas have

qualified for political asylum.

That is not a very high num-

ber," he added, in an apparent

attempt to calm fears in

Florida of a new influx of

But this was immediately

disputed hy Governor Lawton Chiles of Florida, and Demo-

cratic Senator Boh Graham,

who predicted a new wave of

5,000-10,000 potential immi-

grants each month in the

already sued the federal gov-

ernment to recover some of the

costs of sustaining the wave of

immigrants, mostly from Haiti

and Cuha. The new Clinton policy, out-

lined on Sunday, has two main

elements: First, the temporary

appointment of former Con-

gressman Bill Gray, a

respected hlack politician, as

special envoy to Haiti, succeed-

ing Mr Lawrence Pezzullo, who

had been criticised for being

too soft on the military junta.

Mr Gray, it is hoped, will hlunt

some attacks from the congres-alonal black caucus that US

policy towards Haiti has been

Second, the US is to provide

asylum processing facilities on its ships and, it is hoped, in

third countries in the Carib-

bean, rather than sending all

mmediate future. Florida has

to reignite controversy.

I rustration:

But show page

e e demicas

Transferrence Inc.

The alle seems

3 12 12 ame

Whittington

is torcing

1000

Healthcare reform hits Clinton fails to still Haiti fears congressional troubles President Bill Clinton's weekend change of policy on Clinton to States austion of American States aus

President Bill Clinton's proposal to require employers to provide health insurance for their workers, one of the central elements of his healthcare reform plan, is running into difficulties in Congress.

Congressional committees working on healthcare legislation are haulking at the employer mandate, which is opposed by Republicans and centre-right Democrats who fear the financial hurden It would place on smaller busi-

Congressman John Dingell, chairman of the House of Representatives energy and commerce committee, remains a few votes short of persuading a majority of his committee to accept the employer mandate. Congressman Dan Rostenkowski, chairman of the House

ways and means committee.

date, though he has warned his members that the alternative. if a comprehensive reform is to be financed, would be a broad ly-based tax increase.

In the Senate, meanwhile, Democratic Senator David Boren has signed up with the rival plan produced by Republican Senator John Chafee, which would place the ohligation on the individual to secure health insurance, rather than on the employer to provide it.

That could mean that the Senate finance committee, of which Mr Boren is a member ends up using the Chafee plan as the basis for its legislative drafting, rather than Mr Clinton's proposal. The Chafee plan would

impose a fine on anyone who did not have health coverage by 2005, just as motorists are now required to ohtain car insurance. It would also, like

using to cover someone hecause of their health, or from charging them more, and would offer vouchers to help those with low incomes pay for

It would thus in theory meet the goal of guaranteed, universal coverage that Mr Clinton has said is his only unnegotiahle demand.

In practice, however, it would leave the government with a large bill if adequate subsidies are to he given to those who cannot afford bealth insurance premiums.

The advantage to the government of the employer mandate would be to leave intact the current system, in which most people already get their health benefits from their employers, while shifting most of the cost of covering the uninsured on to employers who do not now provide health benefits.

Narrow presidential win in Panama for ex-banker

By Edward Orlebar in Panama City

A millionaire businessman from a discredited party which was the political instrument of two military dictators has won a narrow victory in the Panamanian presidential election. considered the country's cleanest for a quarter of a century.

Mr Ernesto Pérez Balladares 47, of the Democratic Revolntionary party, won 33 per cent of the vote on Sunday, four points clear of Mrs Mireya Moscoso de Gruber, of the gov-

erning Arnulfista party. In third place was Mr Rubén Rlades, a salsa singer and Hollywood actor with a Harvard law degree, who had been

Mr Pérez Balladares's victory confirms the remarkable resurrection of the PRD, which was thrown out of power by the US invasion at the end of 1989 to oust the strongman General

Party officials who went into hiding or were arrested by the invaders will return to govern-ment. Gen Noriega himself is serving a 40-year sentence in

the US for drugs offences.

Now we will begin to build together the future of the nation, without party political differences," Mr Pérez Balladares declared in a victory speech on Sunday night, In Congress, the PRD is expected to fall well short of a majority after the congressional election on Sunday.

on memories of the party's founder, the late Gen Omar Torrijos, who is fondly recalled hy many poor Panamanians for his populist social policies and for negotiating a 1977 treaty with the US for Panama to take back the Panama Canal. The victor promised to create johs and increase social

spending to alleviate conditions for the poor. But the bulky former banker with Citihank has said he would honour Panama's foreign debt obligations, maintain tight fiscal pol-icles, and attempt to attract foreign Investment so as to

improve infrastructure. His government, which is to take office on September 1, will oversee the handover from the US, by 2000, of 34,000 hectares of prime real estate in the Canal Zone. It is unclear what it plans to do with the area. estimated to be worth several times Panama's GDP of \$2.4bn (¢1.6bn). In his campaign, he played

Many analysts speak well of Mr Pérez Balladares but the prospect of the return to government of certain characters, known as the "herd", has raised concern. "All those nasty creatures are going to come out of the woodwork and ask for a place in the sun," said Mr Victor Bulmer-Thomas, director of London University's Institute of Latin American Studies, who was observing the election.



A Haitian refugee child is rescued by the US Coast Guard

hearings on the island. The new procedures, involving larger naval vessels, will not be in place for some weeks.

Several prominent critics of US policy, including the exiled Haitian President Jean-Bertrand Aristide and Mr Randall Robinson, a Washington-hased activist, described the new moves as "steps in the

right direction", Last week, the UN security council, at US request, imposed tougher economic sanctions on Haiti. Over the weekend, Mr Rohim-

son ended a 27-day hunger strike over the forcible US return of boat people. But, in interviews yesterday, he remained sceptical that onboard asylum hearings could meet "internationally recog-

pices but, be said, "it shouldn't be a force whose sole purpose is to knock down the Haitian military

Meanwhile, Haiti's military leaders have dismissed the UN plan to tighten economic sanctions. Having survived previous sanctions, army leaders are increasingly confident they will survive the new UN measures, and are encouraged by what they see as waning support for Father Aristide, diplomats in Port-au-Prince said yesterday.

The UN will impose tougher sanctions on Haiti on May 21 unless the military hands over power to Mr Aristide by then The army leaders, who have refused to honour earlier agreements for Fr Aristide's return, feel the US and other countries advocating tougher sanctions will lose heart if the new measures do not work. and will end their support for the exiled president.

The military rulers' apparent confidence in riding out sauctions is also based on the uncertain situation at Haiti's border with the Dominican Republic, which has been a loophole in earlier efforts to impose an economic hlockade.

Despite repeated public commitments to increase military patrols at the border to curb smuggling, mainly of fuel, ident Joaquin Balaguer of the Dominican Republic is against tougher sanctions.

Mr Balaguer, who is opposed to Fr Aristide's return, is facing a close election in a week and is unlikely to take measures, such as sealing the border, which would also ruffle the military officers who are benefiting from smuggling.

names day for new currency

By Angus Foster in São Paulo

Brazil will introduce a new currency, its fifth since 1986, on July 1 as the final step of the government's latest effort to tackle inflation, now near 50 per cent a month.

President Itamar Franco yeserday confirmed the date for the switch to the new currency, the real. However, several important details - for example, future policy on the real's exchange rate with the US dollar - will not be

unnounced until next month-Mr Rubens Ricupero, the new finance minister, said final decisions on monetary and exchange rate policy were still being finalised. It is expected the real will initially be backed by Brazil's more than \$30hn (£20bn) of foreign exchange reserves.

Mr Ricupero said he and Mr Pedro Malan, central bank chairman, would also examine bow state and federal banks would be affected by the introduction of the real. Several such banks rely on profits from high inflation to remain olvent. There are fears that, before presidential and congressional elections in October, the government will have to support these banks and thus put tight monetary policy at risk.

The confirmation of the advent of the real provided a welcome lift for Mr Fernando Henrique Cardoso, who resigned as finance minister in March to run for the presidency. The success of the anti-Inflation plan, which he negotiated, is seen as very important to his campaign.

Opinion polls late last week show Mr Cardoso's support at 15 per cent, down nearly five percentage points in the last month, against about 40 per cent for Mr Luis Ináclo Lula da Silva of the left-of-centre Workers' Party. Mr Cardoso has been damaged hy hicker-ing with his election allies, the right-wing Liberal Front, and hy the choice as running-mate of a lesser known senator, Mr Guilherme Palmeira.

boat people back to Haiti for Strikers win above-inflation pay accord in Bolivia

Bolivia's trade union confederation emerged strengthened at the weekend after a 23-day public sector strike which forced the government of President Gonzalo Sánchez de Lozada to concede aboveinflation pay increases, John Barham reports from Buenos Aires.

The COB labour confederation mobilised Bolivia's largest protest movement in recent years and won pay rises of 6-12 per

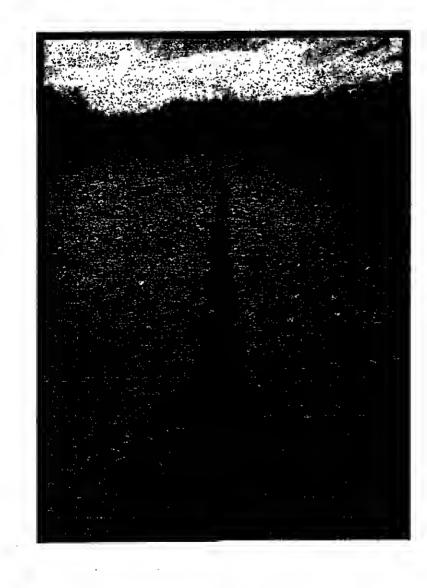
cent for public sector employees. Even so, public sector wages remain very low. Teachers, for instance, earn the equivalent of \$90-\$200 (£60-£134) a month.

Bolivia's unions hold strikes almost every year as the government prepares its annual budget and negotiates a new minimum wage. The strikes this year were very bitter. Protesters blocked roads in the interior of the country and demonstrated

often in the capital, La Paz. Union leaders, headed by three women from the teachers union, went on bunger strike. Security forces broke into COB headquarters to take them to hospital for force-feeding.

Mr Sánchez de Lozada, a US-educated

millionaire businessman, was elected last year and is committed to continue Bolivia's market-oriented reforms, which he began as planning minister in 1985.



We call it the Global Digital Highway."

It's our competitive advantage.

It could be yours.















bulk of foreign growth in investment

half the total has been invested

The ECE says only Hungary

Over 17 per cent of all

Hungarian enterprises now

have a foreign capital

component, giving overseas investors a big role in the

economy. By way of contrast,

foreign-owned enterprises in the Commonwealth of

Independent States account for a tiny 0.2 per cent of total

*East-West Investment News,

No.1 Spring 1994, available from UN sales section, Palais

des Nations, CH-1211 Genevo

more attention to the EU's

European rum market come in

a protocol of the Lomé Conven-

tion, a trade and aid treaty

between the EU and the Afri-

can, Caribbean and Pacific

Group of countries. Rum pro-

ducers have criticised the EU

for being slow to honour com-

mitments to react antomati-

cally by raising access for rum

This is a disgraceful situa-

tion," a leading producer said

yesterday. There is paranoia

in Europe over this matter. No

one wants to upset the French.

who are leading the campaign

protect their domestic produc-

ers in their Caribbean depart-

ments. The EU is reneging on a

to meet a growing demand.

Conditions for access to the

political problems.

onnuol subscription

10,

Brussels under fire

over rum quotas

in the manufacturing sector. Hungary is much the most successful eastern European country in attracting foreign substantial foreign investment direct investment, accounting for a third of the \$18.3bn into the important financial services sector, where it accounts for 11 per cent of all (£12.3bn) total at the beginning of this year. international investment in the

More than \$10bn, or over 55 per cent, went to just three countries - Hungary, the Czech Republic and Poland according to the United Nations Economic Commission for Europe* (ECE).

The figures relate to the foreign component of paid-up capital, and do not include sums committed but not yet

The bulk of foreign capital in the region comes from western Europe, which accounts for about 77 per cent of overseas investment in Hungary and 92 per cent in Slovenia. Just over

By Canute James in Kingston

European rum importers have

been cancelling orders from

Caribbean suppliers because

the current import quota will

soon be filled according to

The European rum market

faces two months of dislocation

because the European Union

has refused to increase the

quota to meet growing demand

for the product, producers say.

The exporters have failed

several times to have the Euro-

pean Commission increase the

quota of 224,000 hectolitres by

25,000hl to meet demand in

Europe. The quota year expires

An increase in the rum

quota is not a priority for the

Commission, Mr Philippe Sou-

bestre, deputy director general

for development, said in Barba-

Caribbean exporters.

for sharp **exports**

By Stefan Wagstyl

India is planning to set a target of 24-25 per cent for export growth in the financial year which started last month, Mr Pranab Mukherjee, Indian commerce minister, said

Mr Mukherjee hoped exports would rise to \$26hn-\$27bn (£17.4bn-£18.1bn), from \$22.2bn in 1993-94, when they

rose 20.4 per cent. The Commerce Ministry is looking to rapid increases to make up for the ground lost in the early 1990s when exportgrowth was hit by a collapse in sales to the former Soviet Union, once India's biggest market. Also, economic reforms launched in 1991. which include incentives for exporters, have taken time to have effect.

Even though exports are growing fast, Mr Mukherjee's target is ambitious. Finance Ministry projectious suggest exports may in fact grow by about 15 per cent. Mr Mukherjee said he expec-

ted further growth from industries which were already contributing to exports - textiles. computer software, motor vehicle parts, engineering, agricultural goods, gems and jewellery and leather.

He also forecast an import rise, after growth of only 6.8 per cent last year to \$22,1bn. There was a sharp pick-up in March when imports were 62 per cent higher than in March 1993. Mr Mukherjee said that, with signs of Industry recovering after three years of stagna tion, imports could grow by 11-12 per cent in dollar terms. Imports of machinery and of industrial raw materials

would account for much of the

growth.

Mr Mukherjee said the recent signing of the Uruguay Round accord of the General against an increase in quota to Agreement on Tariffs and Trade would benefit India and other developing country exporters by opening up markets in industrialised solemn commitment and will renege on other commit-

Hungary takes India aims US delays patent move over Argentina

By John Barham in Buenos Aires

Washington has postponed for 60 days its threat to start proceedings against Argentina for its fallure to enact new laws for the protection of intel-

lectual property.

Mr Mickey Kantor, US trade representative, said last month be would investigate damage to US companies in Argentina caused by inadequate patent

The investigation could then have led to the imposition of trade sanctions. Pharmaceutical companies affected Estimates of damage

rapidly in the last three years, with annual sales of Sinn vary between \$500m (£335m) However, the US embassy in and \$900m a year. The Argen-Buenos Aires has said the posttine drugs market has grown

ture which, the United States hopes, will give Argentina sufficient time to pass adequate and effective patent reform

The US has been in the forefront of developed country pressure on Argentina to introduce new patent laws. The government introduced legislation into Congress three years ago to upgrade the current 1864 law, but the bill has made little

Local laboratories, together with the nationalist wings of both the governing Peronist partyand the opposition Radical party, have obstructed

US and European multing. tional companies complain that the government has been giving the bill a low priority. However, both President Carlos Menem and Mr Domingo Cavallo, economy minister, have said they would press the Congress to pass the bill as soon as possible. Mr Cavallo said this was "not due to US pressure, but because it is necessary to attract invest

Gas pro

Programme to increase tourist arrivals

Cavallo (left) and Kantor want Argentine intellectual property law apdated

By Shiraz Sidhya in New Delhi

The Indian government has launched a tourism promotion programme to increase ths number of foreign visitors from 1.76m to 5m over three years. A calmer political climate

and further opening up of the economy have led to an increase in tourist arrivals, to 1.76m from 1.5m the previous year. Foreign exchange earnings from tourism increased by 14 per cent to \$1.47bn for 1993-94, according to figures published by the Ministry of Tourism and Civil Aviation.

Mr Ghulam Nabi Azad, tourism minister, said Bombay airport, the country's prime entry point, alone handled 164,000

domestic and international flights, an increase of more than 150 per cent in a decade. Liberalisation of domestic routes last year helped ease both congestion and non-availability of seats on flights within the country.

Tourism is India's third-largest foreign exchange earner, and has more of a range of destinations to offer than most countries in the world. But the country accounts for 0.2 per cent of international tourism, largely because of inadequate infrastructure.

Officials in the Tourism Ministry say a big constraint is the lack of middle-level hotels in the country. "The choice we offer the foreign tourist is limited," said a senior official. The foreign tourist must choose between expensive five-star comfort or small hotels that cater to backpackers and lack the most basic of amenities. "Our plan is to offer something to the tourist between the very wealthy ones and the business travellers, and those who have very little money to

Foreign hotel chains are enthusiastic about the more relaxed investment rules after liberalisation (the hotel industry has always been dominated by private companies), and are flocking to India with joint ventures. The government estimates that foreign investment is worth at least

\$250m (£168m) in the botel industry. The Australian Southern Pacific hotels plans to start a series of three-star travel

lodges in main cities. The Oberoi group is linking with Accor of France to start a network of motels across the country. Kamats, a chain of south Indian restaurants, is inking with the Japanese Dai Ici and Pearl Hotels, to offer budget accommodation at Bud-

dhist pilgrimage destinations. The Indian Taj Group, which operates some of India's finest botels, plans a 350-room hotel in Bombay to supplement its famous Taj Mahal, and a series of Club Med resorts in association with the French company.

Indians has got together with the Irish company, Deltic Man-agement, to build a Rs3.7bn (£186m) 600-room floating luxury hotel in Bombay.

And a group of non-resident

OECD Expert Credit Rate

est rates (%) for officiallysupported expert credits, for May 18 to June 14 1994 (April 15 1993 to May 14 1994 in

7.12 (6.89) 7.24 (6.95) 7.35 (7.14) up to 5 years 7.45 (7.25) 8.10 (7.90) 5 to 8.5 years more than 8.5 years Italian lira NA (9.03) 420 (4.20) Sterlina US dollar for credits 6.90 (6.40) up to 5 years 5 to 8.5 years more than 8.5 years

These rules are published morally by the Financial Times, receively in the policide of the morals. A premium of 0.2 per cont is to be added to the condit sales when thing at kid, interest rates nay not be fixed for more than 120 these. SDR-based rates of interest are the same for all commones, For the people from the same for all commones, For the people from the same for all commones, For the people from the same for all 1994, the SDR-based rate will be SDR per care. It replaces the products pain of 685 per care. The SDR-based rate will again change on July 15 1994.

Australia assails US trade barriers

Australia's trade deficit with the US is widening because of import barriers Washington has erected to protect its own producers, the Australian government said in a report published yesterday, Reuter reports from Canberra

The deficit was now proportionally bigger than the US trade deficit with Japan, according to the report by the Australian Department of Foreign Affairs and Trade.

major Australian exports are subject to stringent US import controls has contributed to the growing imbalance in trade," it

The report said there were long-standing concerns over access to the US market, particularly for such key Australian agricultural products, as beef, dairy products and sugar. It said there were also

concerns over the impact of US

Australian exports to third countries, particularly of wheat, barley, malt and dairy products.

In the year to June 30, 1993 Australian exports to the US were worth A\$4.92bn (£2.36bn) while imports from the US were worth A\$13.01bn. Australia's resulting trade

deficit of A\$8.09bn with the US is its highest delicit with any one country.

"It ls also

The implementation of the North American Free Trade Agreement (Nafta) had not raised specific barriers against Australian imports, but had increased the potential for trade diversion through origin

trade deficit with Japan," the

departmental report said.

tactics, the report said. The report did not specify what Australia would do to push the US to remove its barriers.

rules and tariff harmonisation



Trial run for seedpowered diesel carry B) 7-1- ---

The second secon

OECD Esport Credit le

The Organization for Eng Cu-offeration and Device amount of new inlored; est fater (%) for the supported export cress stage to the June 14 1992; 17) (MOJ to May 14 th brass bets

Freeze to the con-

AND THE STREET

man production

Selen . . .

more than the ends

the force of the south

movement of the Contract of St.

100 to 10

I programme

P'PHE:

Tory turmoil over referendum on Europe

By Kevin Brown and Philip Stephens

The Conservative party was in turmoil last night as Mr John Major fought a rearguard battle against intense pressure for a referendum on the next steps towards European inte-

Amid a frantic round of factional meetings at Westminster, Downing Street insisted that the prime minister remained opposed to a referen-dum, but refused to rule out the idea. Officials said there had been "huge exaggeration and tremendous hyperbole" in reports of divisions between

cabinet ministers on the merits of a

Major must end the impression of disarray by making the government's position clear at prime minister's

question time in the Commons today. The prime minister is expected to consult senior colleagues before taking a final decision on how to respond to growing pressure for a referendum

Leading members of the 1922 committee of Conservative MPs said that the promise of a referendum in advance of any further integration was now the only way to unify the

The idea was also being pressed energetically by leading members of the right-wing Euro-sceptic 92 group

Friends of the prime minister said that a referendum would be fraught with political dangers for Mr Major because of his repeated insistence in the Maastricht debates that only parliament was competent to decide the

The Conservative party opposed both the referenda called by Labour. on Europe in 1975 and on Scottish and Welsh parliaments in 1978 · on consti-

tutional grounds. Senior cabinet ministers such as Mr Kenneth Clarke, chancellor of the exchequer, and Mr Douglas Hurd, foreign secretary, continue to argue that it would be wrong for the Conserva-

whether the offar of a referendum would appease the Euro-sceptics sufficiently to paper over the split until the vote

> One leading Euro-sceptic said that the offer of a referendum would immediately be followed by campaigning to ensure that the result "tied the government's" hands in the IGC nego-

There was disagreement about the impact of a referendum on the campaign for the European elections. Mr David Hunt, employment secretary. said there was no point in "trying to take people's minds away from the critical European elections."

Mr Himt's comments reflected deep unease about a pledge by Mr Paddy Ashdown, the Liberal Democrat leader, that his party would support a referendum on the outcome of the 1996 intergovernmental conference.

The announcement was seen as a significant blow to the Conservative campaign for the European elections because it will weaken the party's attempts to portray the Liberal Democrats as in thrall to Brussels.

Mr John Smith, opposition Labour party leader, sought to avoid the issue yesterday by claiming that the outcome of the EU's 1996 intergovernmental conference - the next review of the union's institutions - was too far ahead to require a decision now.

Britain in brief



Up to year delay for Eurostar

It could take between nine and 12 months before a full service of Eurostar trains is running through the Channel tunnel from London to Paris and Brussels, European Passenger Services (EPS). operator of the through trains,

The service is expected to start with only two trains a day running to each destination rising to 15 trains to each destination at half-hourly intervals.

Delays in deliveries and the time taken to test each traio will mean there will be a gradual build-up of services from their starting date in

July or August, EPS said. The specially designed 400-metre long trains will take three bours at speeds of up to 186mph to travel between hours 15 minntes between London and Brussels.

It was in Eurostar trains Mitterrand travelled to the Calais terminal of the Channel tunnel to inaugurate the £10bn project last Friday.

Ticket prices will be announced three weeks before start of the service. First class fares are expected to be slightly lower than the a range of discount fares for leisure travellers as well.

Scots' drug problem seen

Drug-related crime could be costing Scotland up to £936m a year, a House of Commons select committee said.

The cross-party committee of MPs said official figures on the drugs problem represented "the tip of the iceberg" and called for anti-drugs education to start in primary schools. One Glasgow GP told the Commons Scottish affairs committee that nearly half the children who attended one secondary school class in his

area had injected drugs. Tha MPs' report calls for the painkiller Temgesic to be added to the list of drugs of addiction notifiable to the Home Office, and for all GPs to review regularly their potential for abuse. It also calls on the Scottish

Office to rethink its policy on research into drug abuse and take a more active role in fighting it.

Credit at 5-year high

Net lending to UK consumers rose to its highest level for almost five years in March, while new borrowing reached

record levels, indicating that consumer confidence remained high before April's tax rises The net level of consumer borrowing recorded in credit card transactions, building society loans excluding

lending was a scasonally adjusted £516m, the Central Statistical Office said. This so called "narrow coverage compares with a before, and £217m the previous March. The total level of consumer lending for the first quarter of 1994 was £1,087m, slightly up from the

quarter of 1993. New credit extended rose to £5,218m in March, of which £3.041m was accounted for by credit card purchases, the CSO said. This is the biggest monthly rise in const lending ever recorded by the

£1.046m recorded in the last

CSO - higher even than in the consumer spending boom of the 1980s. However economists vesterday warned the surge in the credit card figures, which only record credit card purchases in the Visa and Mastercard system, was partly caused by seasonal factors and shifts to consumer

Rail up-date for 2005

The £500m modernisation of British Rail's west-coast main line may take until 2005 to complete, the government has disclosed. Work on the 480-mile link

between London and Glasgow was expected to start next year and take between eight and 10 years.

The government said a competition would be beld "early next year" for the contract to design, build and maintain the improvements to the line.

This would follow a feasibility study by a private-sector consortium working with Railtrack, the organisatioo set up to run BR's track and signalling.

Low pay unit targets North

Income for Northern bouseholds is £36 e week less than that of the average British household, a report said today.

A Low Pay Unit report, commissioned by the NUCPS public service union, found thet northern incomes were among the poorest in Europe, 14 per cent below the European average.

The report said that more than a third of people working full time in the north earned less than the Council of Europe's decency threshold.

Low pay rates, however, had not led the region to attract jobs, said the report. It still had the highest unemployment rate in Britain and the gap between women's and men's pay rates in the north is wider

than in the rest of the country. The report says the problem has been made worse by the collapse of manufacturing and contracting out of public services. It said that the abolition of the wages council left 132,000 of the poorest workers in the region without protection.

Glasgow loses gallery plan

Mr Ian Lang, the Scottish secretary, has vetoed the plan by the National Galleries of Scotland to establish a new national gallery of Scottish art in Glasgow.

Mr Lang said the plan, which had aroused intense controversy in Scotland, did not enjoy "the broad general support appropriate to a major initiative of this kind."

Mr Lang's decision is a rebuff to Mr Angus Grossart, the merchant banker who is chairman of the trustees of the National Galleries of Scotland, and to Mr Timothy Clifford, the director of the galleries, who were the proponents of the plan

Glasgow made a successful bid for the new gallery to be located in the city but the plan caused outcry when it was announced late last year.

Sardinia jump

Fifty British Paras were

aircraft from 800ft.

However, senior ministers said Mr of MPs. However, the smaller Positive Gas proposals stress restraint on price rises

By Robert Corzine, Deborah Hargreaves and James Blitz

The government yesterday published its long-delayed gas industry consultation paper outlining how full competition will be introduced to 18m

households by 1998. The report, prepared jointly by the industry reguletor Ofgas and the Department of Trade and Industry, went to some langths to allay fears about possible price increases, saying price pressures which might emerge in the transition to full competition could be limited by regulation.

The standing charge which household consumers pay will remain under a capped formula at least until 1997. In addition Britisb Gas tariffs are not expected to "increase by more than the rate of inflation" in the transition period between April 1996, when 5 per cent of the market will be opened to competition, and the full mar-

ket opening two years later. The report conceded, however, that regional prices could vary by plus or minus 2 to 4 per cent because of different

transport costs. Independent gas suppliers eager to take on British Gas in its most lucrative market sector expressed disappointment that the document did not go further in explaining how com-

petition will be achieved. "For all the agonising that'a gone into it, it's a bit thin. It addresses the major issues but doesn't sketch out in any detail what the public gas supply licence might look like," said

venture between Conoco and

PowerGen. The independent companies are keen to see the follow-up report to be published shortly by Ofgas which will contain details of the costs to be charged for using British Gas's

pipelines system. Mr Cedric Brown, British Gas chief executive, welcomed the recommendation that "the industry as a whole . . should underpin the special needs of the more vulnerable groups in society." But he warned "time is short" to implement the government's programme, the scale of which bas "never before [been] attempted anywhere in the world."

British Gas shares yesterday closed at 285p, up 11/p. The document was originally

due to be published in February. Mr Tim Eggar, energy minister, said yesterday he would make "no apology" for the delay. Government critics had

charged that the document was being held up for political reasons, and implementation of the deregulation proposals would lead to sharp price rises for less well-off consumers. Mr Eggar dismissed such claims as "rubhish", and said the document formed the "framework for delivering the benefits of competition" to all consumers. But Ms Claire Spottiswoode, director general of Ofgas, said

it was impossible to "guarantee that prices won't rise." She sald she was confident that deregulation would deliver benefits across a broad range of consumers, and not just to those which consume large



Eighty-five year old Commodore Bill Warwick (right) the first Captain of the Queen Elizabeth 2, with his son, Captain Ron Warwick, who took command of the liner in 1990, on the bridge at the start of the 25th anniversary voyage to New York. The QE2's owners, Trafalgar House, are to carry out extensive refurbishments this antumn to extend her service life into the 21st century

Reuters plans financial TV service

By Raymond Snoddy

Reuters, the news and financial information group, next month plans to launch a new form of specialist television by satellite to computer

screens. The service, an example of multimedia in action, is aimed at foreign exchange, debt and treasury financial markets, and will be far removed from conventional television Mr Mark Wood, editor-in-

chief of Reuters Holdings, said yesterday extensive research showed City professionals "did video informatioo that is use-

Usually Reuters Financial Television will only go on air when there are events or comments capable of driving markets. There will be a 15-minute morning briefing at 7.15, and possibly a second at lunch time. Apart from that there will be five minute bursts of live television when justified by the news.

The service will be available on adapted Reuters dealing flash two minutes before a transmission and the television picture can either be a small

square in the corner of the screen or be enlarged to occupy the full screen. Charges will be between £80

and £100 a month per screen. Mr Wood said yesterday he hoped 1.000 screens would be receiving the servica across Europe by the end of the year. Apart from news and instant live commentary from analysts, Mr Wood said the service would provide the opportunity

to communicate directly with the markets for the first time. "It will show the furrows in the brow and how people react to questions and how they give information," said Mr Wood.

A pllot item carried an interview with Mr Kenneth Clarke, the Chancellor talking about his discussions with Mr Eddie George, the Governor of the Bank of England. Reuters Financial Television.

which will be delivered to foreign exchange dealers across Europe, will use the digital video compression system developed by NTL, the privatised engineering division of the former Independent Broadcasting Authority. Reuters said yesterday it

hoped launch a separate television service for equities deal-

By Richard Lapper

investment trusts created last year, which raised more than syndicates across the Lloyd's market, the new vehicles will insurance syndicates manag by one particular agent, giving the agent more control.

Mr Robert Hiscox, Lloyd's dep nty chairman, is the only agency so far to have formed a so-called "dedicated" vehicle, but this week both Brockbank. insolvency law in October 1990. I an agency which manages one

highly rated agency, said they may follow suit.

their capital raising plans say Phoenix, the specialist securi-

mortgages, and finance house Paras hurt in

injured when mass Nato irdrops on the Mediterranean island of Sardinia went wrong. The accident prompted an urgent call at Westminster for all British military parachute drops to be suspended without delay.

Taking part in the ironically named Exercise Dynamic Impact, the troops hit rock-hard ground on the sunshine holiday island after jumping out of RAF Hercules

charges for theft and false accounting totalling £34m.

Channel tunnel could be gateway to British milk market could be running through the Channel tunnel when it opens next year, according to Mr Andrew Smith, managing director, of the Besnier group's UK offshoot. France's Besnier group - one of the largest dairy companies in Europe the East Durham Bio-Diesel Working Group, formed by is looking to triple its dairy sales in arable farmers in the Easingthe UK over the next three years to ton area. They say bio-diesel

£100m. Britain is the latest battleground for Europe'a large dairy companies as they move into the £8bn sector. In November, the government plans to abolish the Milk Marketing Board's 60-year monopoly on the Wholesala purchase and sale of milk in England and Wales, unleashing a free market in the £3.3bn fresh milk

The liberalisation of the milk market will leave dairies to buy their supply direct from farmers or through Milk Marque, the milk

Deborah Hargreaves on the big European players with a new interest in the UK board's successor, which is being organised as a farmers' co-operative.

We've got a great deal of experience of buying milk directly in our other markets which gives us a competitive advantage," said Mr Rory O'Mahony, chief executive of the dairy group at Ireland's Avonmore

Avonmore invested £20m last year in expanding their foothold in the UK market where it now supplies 7 per cent of Hauld milk The opening up of the market will not eliminate the UK's shortfall in

milk production however - European Union quotas restrict output to 85 per cent of the UK's needs. The rest of the EU produces a dairy surplus of 15 per cent. Some of the European dairies are

hoping to import raw milk from

countries such as Denmark and is partly owned by a farmers' co-Ireland which produce twice and three times their own requirements. "European dairy companies are under pressure from falling product prices and cuts in European Union

intervention," said Mr Michael Lan-

dymore, food analyst at Henderson Crosthwaite Institutional brokers. They are targeting the UK in the The introduction of the European single market last year and the interests of some retailers in expanding overseas have further fueled the

internationalisation of Britsin's "We cen follow the UK retailers as they expand across Europe." said Mr Roger Clarke, commercial director of MD Foods, the UK offshoot of Denmark's large dairy company which

operative MD Foods has spent £150m on an acquisition programme in the UK in the past three years, gaining a 10 per cent share of the milk supply market. The company which is best known internationally for copying brands of cheese such as feta, is now looking to match its success in milk with a drive to boost its share of the UK cheese and dairy products sec-

Innovation in the fresh dairy product sector has been led by European players which are now hoping to see the margins for their products improve as a result of the scramble for milk in November.

Mr Smith says the privately-owned Besnier group is planning to launch a large marketing campaign to push

some of its cheese, butter and other dairy products in the UK. In March it consolidated its UK operations

into one company. Cheese and buttermakers have been a low priority in the current arcane system for allocating supplies and have had to run their plants at well below capacity because of the problem of getting hold of milk. Now, efficient producers will be able to go out and pitch for it," said

The abolition of the pricing and supply system will also remove production constraints from dairy processors enabling them to cut costs.

MD Foods plans to cut its costs by 20 per cent over the next three years by buying most of its supply direct from farmers and running its processing facilities at closer to capac-

its UK operations to form two units one of which will concentrate on doorstep service.

Doorstep delivery and the British consumer'a appetite for fresh milk makes the UK market different from the rest of Europe. Northern Foods, one of the biggest domestic suppliers, believes competition will still be restricted by the limited milk pool.

"Even with the Channel Tunnel, transport costs will probably make it prohibitively expensive to bring in a lot of raw milk from the continent. said Mr Neil Davidson, group executive at Northern Foods.

Northern is taking a different approach from some of its European competitors. The company is threatening to invest £50m in a dairy products plant un the continent if the government does not ensure there is enough competition in the milk sales

Mr John Astrop, commercial director at Kinetica, a joint Trial run for seedpowered diesel cars

By Chris Tighe

Farmway, e 2,500 member north eastern England farmers' co-operative, will this week begin running some of its cars and lorries un biodiesel produced from rapeseed

grown on set-aside land. British Bio-diesel, a consortium formed by a group of East Durham farmers, together with Farmway, specialist seed crusher Unitrition, and Chemoxy, a manufacturer of ester (an organic compound), has produced 4,000 rallons of bio-diesel, believed

to be the UK's first. The trial by seven Farmway vehicles, normally run on conventional diesel, will test vehicle emissions. A North Yorkshire Pengeot dealer's courtesy car will also use the fuel to gauge public reaction and engine performance will he evaluated hy Perkins Engines and Lucas.

The consortium believes biodiesel is an environmentally friendly fuel which also offers farmers a productive use for set-aside land, on which food crops are barred. Farmway is paying members £98 a tonne about one acre's production for the rapeseed. This does not affect set-aside payments. The initiative was instigated

particulate matter and, if spilt, is 95 per cent biodegradable within three weeks, and fully within five. Farmer Mr David Cowton, a Group member, said the quantity of bio-diesel which could be produced from UK set-aside land would not supplant ordinary diesel, but would be attractive in environmentally sensitive areas such as polluted urban locations.

produces lower emissions of

sulphur, hydrocarhous and

amounts of gas. not want television. They want **Accountancy profession** set to probe Polly Peck

By Andrew Jack " The accountancy profession is poised to launch a high-level disciplinary inquiry into Polly Peck International, the collapsed conglomerate formerly controlled by Mr Asil

scheme, the most senior regulatory body within the profession, is expected to announce an investigation within the next few days. It is likely to concentrate on the role of Stov Hayward, the accountancy firm which was the principal auditor to Polly Peck. Officials may examine

The joint disciplinary

accountants connected to the The development comes just over a' year after Mr Nadir broke his bail conditions and fled Britain for his native northern Cyprus while facing

the conduct of any member

firms or Individual

The joint disciplinary theme, which represents the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants of Scotland and the Chartered Association of Certified Accountants, only examines the most serious and public of

It received a substantial blow last month when the House of Lords ruled against it and in favour of accountants Price Waterhouse, under inquiry for its andit of the collapsed Bank of Credit and Commerce International. In a setback for

self-regulation, the Lords supported the court of appeal's ruling that any inquiry by the profession must wait until after civil litigation on the case is completed, which could be into the next century. Just four

investigations are currently

underway - into Barlow

Clowes, the disgraced fund

the electronics group; the Maxwell business empire; and War on Want the third-world charity.

Lybrand, which is under investigation for its audit of the Maxwell companies, are believed to be among several firms which might defer responses to the joint disciplinary scheme's inquiries as a result of the House of Lords' ruling on BCCL

Stoy Hayward and Coopers &

The Institute of Chartered Accountants in England and Wales in 1992 fined two ccountants at Coopers & Lybrand for accepting appointment as administrators to Polly Peck in breach of ethical rules after their firm had conducted work for Mr Nadir and his companies. However, Stoy Hayward has not yet hean sued in

connection with the audit

since Polly Peck entered

administration under English

Lloyd's agencies examine new type of funding

Leading agencies at Lloyd's of London are examining the creation of a new type of corpo-rate investment fund which would give them more control of their capital and mean that they could eventually become, in effect, limited liability insur-

Unlike the dozen Lloyd's £800m and support a range of supply capital exclusively to The Hiscox Group, headed by

of the market's biggest marine syndicates, and Kiln, another

Lawyers and financiers advising Lloyd'a businesses on thet many other managing agents are now examining this option. Mr Cliff Hampton, of ties house, said that managing agents were becoming more concerned to secure their sources of capital, at a time wben another year of large losses at the market is likely to lead to a reduction in the amount of capacity supplied by individual Names, wbose assets have traditionally sup-

ported Lloyd's. Interest in the new type of structure is likely to lead to presaure on the Stock Exchange to lift its current restrictions on listing such

Richard Gourlay looks at plans which may improve the

company rescue provisions of Britain's insolvency laws

Floating charge



Banking gloom for small businesses

Britain's smallest businesses are unlikely to have an easier time dealing with their banks in the coming years.

Their loan applications will be more carefully scrutinised; the interest margins they pay may well rise; and they will increasingly pay a commercial and visible level of fees for

services like arranging loans.
Small businesses will remain a core market for most banks already focusing on the sector but customers must expect to pay more realistic rates for the

These predictions emerge from a report* into the banking industry's appetite for servicing small businesses with sales of up to £1m, commissioned by National Westminster Bank and compiled by Graham Bannock & Partners, the consultancy.

The lending decision is going to have to involve a fuller exchange of information between banker and customer. says Terry Bryan, of NatWest's small business service unit. "We singly will want to lend against the viability of the business plan. Progressively there is recognition that the lending has been underpriced in this sector," he says.

From a macro-eco of view, the report recognises that banking has become closely linked to the property cycle. with a high proportion of lending to companies and individuals secured on property. This accentuates the tendency of bank lending to fuel booms and deepen recessions," the

report says.

The main challenge banks face is to reduce had debts.

The Future of Small Business Banking - Available from NatWest Small Business Services. Tel 071 454 6925

Correction

Raffo Design is designing a mechanical garden product for Snapper of the US and not a new bottle cap as described on last week's Growing Business page.

BR Solutions, a supplier of office electrical systems, went bust last year, its bankers calling in receivers after 16 years of successful trading. The story is a familiar one; with sales of £7m, PBR's bank had confirmed an overdraft of £800,000 in late 1991 only to cut it six months later. The owner-managers, Bill and Jane Pickering, refinanced the com-pany with funds they had tucked

away for their retirement. Six months later, one of PBRs' large contracts was cancelled, another postponed and the directors foresaw a sharp fall in sales that would last for two months. To avoid trading while insolvent, the Pickerings called the bank and asked for receivers to be appointed.

Last October the Department of Trade and Industry decided this might not be the best way to deal with companies in difficulty. Inviting suggestions on changes to company voluntary arrangements and administration orders, the DTI made a number of proposals that could improve the company rescue provisions of the 1986 Insolvency

For the Pickerings, any changes to insolvency law will come too late. But if the changes are adopted, many other companies — and their unsecured creditors - may stand a better chance of rescuing their assets if they get into trouble. One of the DTT's proposals relates

to company voluntary arrangements between companies and their creditors that have been used very little since they were introduced in the 1986 Act. One obstacle has been the lack of a moratorium on credi-

The UK government has high

bopes for venture capital

trusts. By creating "condi-

established and for small busi-

nesses to grow", VCTs are seen as a

The strategy - offering tax breaks to channel longer-term capi-

tal into unquoted companies -

makes sense. Everyone accepts now

that unquoted companies tend to

create more jobs than quoted ones.

But success depends on answers to

Will the VCT rules attract inves-

tors to come up with the money?

And will the money find its way to

Of course, the viewpoints of investors and of managers of dynamic businesses are not always

identical. There is a lot of squaring

dynamic businesses?

key to cutting unemployment.

hits rough sea

would bind all creditors. But the DIT's consultative document has raised the lid on a much bigger hornet's nest by questioning whether the long-established rights of floating chargeholders - nor-mally banks - should be curtailed to give administration orders more chance of success. The floating charge is the imusual mechanism by which banks can take a charge over a company's changing assets, such as its inventory. It is only used in the UK, Australia and Canada of

the industrialised countries. The trouble with administration is that directors of companies which seek its protection know their banks have the whip hand. As the law stands, a floating chargeholder can veto an administration order and appoint an administrative

Under present rules, an administrative receiver is not obliged to

tor's rights; the DTI suggests introd-ucing a moratorium of 28 days, extendable to three months, that take into account the interests of unsecured creditors or shareholders. The receivers are often accused of being concerned with minimising losses for the banks rather than looking at whether there is a viable

future for the company. Taking an altogether more radical approach, the Small Business Bureau has called for the total abolition of the floating charge. In a reply to the DTT's consultative document, Barry Baldwin, head of the policy unit at the SBB, says abolition would change the emphasis of insolvency. "The objective of any insolvency process should be to make the company as valuable as possible for the benefit of all credi-tors, secured or unsecured, and the shareholders," he says.

"The UK urgently needs to find some form of cultural structure which would at least give financially distressed companies a fighting chance of survival.

Elimination of the floating charge may well lead to a re-assess-

ment of lending criteria, with less reliance on security, and increased emphasis on the ability of companies to achieve the cashflows necessary to sustain the costs of supporting debt.

Not surprising the banks have vigorously rejected the DTI suggestions that floating chargeholders' rights might be diluted. If the value of bank security, and in particular tha floating charge, was under-mined, it would "lead to increased costs to cover the added risk, and it could also discourage lending gener-ally, especially to smaller busies and for company start pps", the British Banking Association

says in a submission to the DTL The proposals set out in the consultative document would change fundamentally the current legal environment by shifting the balance of power towards debtors [the borrower] at the expense of secured creditors," the BBA says.

The association says the DTI in any case is placing too much



emphasis on rescuing corporate entities rather than the underlying businesses. And it says the biggest single contributory factor leading to insolvency is that companies lose their markets.

Groups like the Association of British Chambers of Commerce are reluctant to tinker with the floating charge if banks consequently become more reluctant to lend.

But one of the underlying weaknesses of smaller corporate Britain is its reliance on overdrafts. The floating charge may be partly to blame. By mortgaging everything that moves, companies have avoided operating from an adequate equity base and banks have frequently paid too little attention to the underlying strength of their cli-

At least reducing the value of the floating charge might result in better quality lending to sounder busi-

The names of PBR Solutions and its directors have been changed as legal proceedings continue between directors and the receivers.

Will the bait be tasty enough?

Ewen Macpherson asks whether venture capital trusts, launched last November, can encourage private investment in unlisted companies

question to be asked about the pat- addresses this point by suggesting tern of shortage of longer-term cap-

Ask an entrepreneur looking for £259,000 to set up a high-tech busis, and he will tell you that capital is in very short supply. On the other hand, go to the managers of a substantial subsidiary company where there is going to be a management buy-out from a large industrial group and they may tell you that several venture capital companies are vying for the privilege of backing them. There is no case for tax conces-

of the circle to be done before the VCT scheme, still at the discussion stage, takes final form. sions to attract investment to mul-A strength of the VCT scheme is ti-million-pound buy-outs, which in to draw on the skills of those with the past decade have been a profitexperience of investing longer-term capital in unlisted companies. able market for the venture capital industry. The Inland Revenue's First, however, there is a basic consultative document on VCTs

a size restriction. VCTs would be allowed to invest only in companies with gross assets of less than, say, £10m. A £10m limit seems high if the aim is to help new and smaller

But one can see the government's reasoning. Allowing a trust to invest in fairly large as well as small companies might achieve a portfolio mix more attractive to investors. It can be argued that a better bait would be more substantial initial tax advantages for investors, rather than encouraging the trusts to move away from the core of the scheme - to provide funds for entrepreneurial busi-

A more appropriate limit on the · size of eligible companies might be gross assets of £2m. But size is not the only issue. If the VCT scheme is to achieve its full potential for encouraging economic growth, those drafting the rules should recognise that there are two quite distinct categories of investment in the private equity market.

One category finances growth - directly. This includes the funding of start-ups and provision of capital to fledgling businesses trying to get

It also includes - though it is sometimes overlooked - the scope for investing in companies already established. They need capital to enable them to re-equip, enter new markets or expand in other ways, which often simply cannot be financed by overdrafts. Such growth calls for risk capital - the

private company's equivalent of the quoted company's rights issue. The second category consists of investment in changes of ownership. This includes management

other restructuring operations. Restructuring – a feature of the "enterprise revolution" of the 1980s - can bring about a valuable shakeout in the economy, but there is a significant difference between that and specific investment in immediate growth plans.

buy-outs, management buy-ins and

Change of ownership represents a "churning" of existing assets, and already there is enough capital chasing these deals.

It could be stipulated as a condi-

tion of VCT status that the trust's portfolio should contain a majority of the first type of investment.

There could be a minority of the second — "churring" - type if the trust's managers wanted a more balanced portfolio. MBOs are perceived to be less of a risk, which is why they already attract so much investment.

Arguably, though, the problem is not so much overall lack of capital as lack of demand. If small companies are beld back for want of long-term capital, the reason sometimes seems to be that they are pnaware that such capital exists or that they are reluctant to use it. Directors of family businesses, for instance, may refuse to dilute their

If more of Britain's smaller companies strengthen their competitive edge by strengthening their bal-ence sheets with capital from the VCTs, it could contribute signifi-cantly to job creation. But if VCT money goes largely to management buy-outs and buy-ins, the government will not get what it is hoping

The author is chief executive of Si

EXPANDING INTO

GERMANY?

You want the right partner, With 25 years experience in the business we find you the right Company, Strategic merket analysis,

SCHWARE CONSINY

Fac +49-811-547298

U.S. FINANCIAL

CONSULTANT

to acquire/enter into LIS Market

D-65193 Wesbeden, Welherpertens

BUSINESS OPPORTUNITIES

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO CONDITINENTS

Investment Bank "ZERICH"

your adviser for practical access to Russia...

Corporate finance Credits and borrowings Trust operations

Mergers and acquisitons Vaucher auctions and investment tenders

We can assist you in becoming part a interesting Russian privatised industries in metal, machines etc.

Tel. (7-095) 287-8215, 287-8219, 287-8234 287-8506

E-mail

"ZERICH" Investment Bank 129085, Mira prospect, 101, Moscow, zerich@zerich_msk.su

MAJOR BUSINESS

OPPORTUNITY

FONE OF THE MISTASTEST GROWING INDUSTRIES M. LENNATIVE MEDICINE

Fax: 6883 722063

EXPERIENCED BUSINESS

ANGEL SOUGHT Eintrepreneur has designed/developed and market tested (15 months) a unique

and currently untapped service for UR motorists, UK expansion requires working capital of £170,000 from a joint

venture partner. European expa-anticipated late 1995.

Please coply Box B2834,

Financial Times, One Southwarf

Bridge, London SEI 9HL

Businesses Wanted

ou may be an MD of a division account

finance to do an MBO or a holding company wanting to divest of a division which on longer fits or be a family

CONFIDENTIALITY ASSURED

To obtain details either fax or telephone Barry Corbett of Corbett Keeling Ltd

siephone: 061 875 1919
Fax: 081 875 1920
of the Samplin and February Authority

Management Buy-Out What is your company worth? PC spreadsheet valuation model, as used by venture capitalists.

£49.95 + VAT.

For further details contact: BIAS (London) Ltd. 28 Grosvenor Street, London W1X 9FE Tel: 071-917 9711 Fax: 071-917 6002

NOVELTIES Australian Co. requires

colourful, different, novelty magnet. Andrew Gee Star-Line Products. Fax: 61 2 939 6486

DEVELOPMENT FINANCE SOUGHT by newly registered PROPERTY COMPANY nitial funding of approximatel £1 million required. Strong professional team with nsiderable experience and exciting development opportunities.
For more information please
TELEPHONE 0959 561114

nnovative Property Investment

Equity and loan funding for yield and capital growth. Preferred minumum investment £100k.

MOVIES INTERNATIONAL 2ème Avenue 13U7 VITROLLES,

France seeking a worldwide netwoo of distributors for a product with high profit potential; a pen-sized detector of counterfeit banknotes. further information, please call Mrs Tenean 33 91 35 41 47 COMMERCIAL FINANCE/VENTURE

DO YOU WISH TO IMPROVE YOUR COMPANY'S CASHFLOW? We are an independent, service orientated company who will show you a flexible alternative to inflexible bank facilities MBOs AND ACQUISITIONS A SPECIALITY

TURNOVER 2500K P.A. AND ABOVE ONLY Write or telephone in the first instance: Scott Bradley or Brian Samper Causeway Invoice Discounting Company Limited Kings Court, Exchange Street, Manchester M2 3AX Telephone: 061-832 4442 Pax: 061-832 4050 Richard Ingoldby

Richard Ingoldby

Causeway Involce Discounting Company Limited

7 Hanover Square, London WIR 9HE

Telephone: 071-495 2525 Fax: 071-491 2050



Tel: 071 872 5959

MEDIA INDEX LIMITED

celes small companies requiring capital for growth. Turnover

currently at least £1m plus. dultimedia sector only including

music, screen and publishing.

0628 76116

HARLEY-DAVIDSON FILM Emergency ehooting begins 1st Juna Award winning
production team residing a great rock & roll
film - Fet Boy in Paradise - about * a ride
on a Harley to Barrighton from Barr are
\$255,000 short on their budget after being let
down at the last minute. One or more
investors required. ALL investment mories
back before creative team are pold. Great
profit potential as only film EVER exported
critically by Harley-Davidson and leading
rangezines. For details strip Mike Or on
1000 289 384 Fact 3808 283 156 Mobile
0860 706682 0631 \$28241

FM FSC 6 LTD.

is engaged in arranging true lease financing for United States maoufactured Booing 747-400 aircraft equipped with Pratt & ootside of the United States

USL Capital Corporation agent for FM FSC 6 LTD 733 Front Street San Francisco, Ca. 94111 USA

Attention: Mr Tom McCart

CHANNEL ISLANDS Offshore Company Formation and Administration, Also Liberia. Panama & BVI etc Total offshore facilities and services.

CONFIRMABLE DRAFTS BACKED BY CASH Issued in Your Name Confirmed by Major Ltf | Benks to Prove Availability of Punds

Backed by Private Investors CAPITAL SUPPORT CORP U.S. (714) 757-1070 · Pax (714) 757-1270

SPANSH EXPORTER emblished in Virgin region of Extremoture, seets that contacts abroad. Pirst quality toodstrans available at exceptoral prices. Full back-up emilion offered. All quaries welcomed contact. Antonile Reddinguez Tet: 34-27-231115 Fec: 34-27-23031.

Do you really need an office? Try a Virtual Office. We offer a professional London presence. Wherever you work, we will answer your calls, put them through to you or take necessars.

JUST STARTING?

All at 211 Piccadilly . offices, cretarial services and voice

Virtual 071 917 2917

FUNDS AVAILABLE TO PURCHASE Letters of Credit
Bank Gourantees
Other Acceptable Collateral
Backed by Private Investors THEU MAJOR INT'S BANKS CAPITAL SUPPORT CORP.

US: (714) 757-1070 - Pace (714) 757-1270

WOULD YOU LIKE TO DO **BUSINESS WITH CHINA?** If you would like to sell, buy or manufacture with China, we have the contacts: Travelling to China on 6/5 please contact us Tel: 081 385 0462

COMPUTER SERVICES CONTRACT BASED WANTED

Fax: 081 385 0463

A unjor Computer Services Group wishes to soquire contract bases. We see that the contract bases of Boy BZT87, Faustail Times, One Southwark Bridge, Landon SEI SEL FOR SALE PROFITABLE QUARTERLY

BIAGAZINE A successful and established controlled circulation trade publication challed instructionally to a specialist high value merketplace. Principale on B2812. Financial Times, One Sou Bridge, London SE: SHL.

ITALIAN VINEYARD exist UK distributors, Femous grower states major distributors for their high quality wine salection. Telephone: 0502-225059.

BUSINESSES FOR SALE

Appear in the Financial Times on Tuesdays, Fridays and Saturdays.

For further information or to advertise in this section please contact

Karl Loynton on 071 873 4780 or Melanie Miles 071 873 3308

FINANCIAL TIMES

BUSINESS SERVICES

ASSEMBLY FACILITY

Secure, flexible and highly

skilled organisation offers light

Industrial electronic, surface

mount and precision

electro-mechanical assembly

capacity, for commercial

and Industrial products.

Contact:

Jane Jenkyn 0932 561181

FREE INITIAL

CONSULTATION

Company and personal taxation

including VAT, IHT and Will

Planning, J.P.B.Harris & Co.

Registered auditors

LIQUIDATIONS &

RECEIVERSHIPS

THE PAGE 1 REPORT

The No. 1 index evaluable of every company that has gove into liquidation/receiverable EVERY week + ALL WINDING UP PETITIONS + dozens of AUCTIONS & BUSINESSES FOR SALE.

The presence resont of his bind. If you are serious about acquiring bankrupt stock direct from

Tel: (0472) 371286 Fac: (0472) 371458

liquidators and accelvers conta TBR PAGE 1 REPORT

CALL USA

ONLY 17p/min First 30 mins FREE Dial Int. Telecom Tel: 081 490 5014 Fax: 081 568 2830

ROADSHOWS/HOSPITALITY Spa Ilmousine hire to strictest schedule \$22 per hour. Tim Halahan 081 748 4540

OFFICE EQUIPMENT

OFFICE FURNITURE We have available high quality executive and system range - conference and receptions. Large choice of veneers: (Walnut, Rosewood, Ash etc.)

40% from R.R.P.! ondon Showroom for viewing Full camend planning services if required. Please contact: LINEABURO LTD 0992 503313

AUCTIONS

NEXT AUCTIONS of life assurance policies for investment will be held on 12 May in Edinburgh and 19 May and 2 June in Lond

Telephone:

E. E. Foster & Craufield

071-608 1941 for extalogme

A Member of FDABRA

TEL: 0708 472911

(Oxori) Tel 071 835 2143 Fex 071 244 808

PROBLEMS THAT WORT GO AWAY? Unhursed initial consultation, then cost-effective guidance and action by experienced and practical eleichto. Devid Evene LLB. (Exon), LLM (Lond), Dip. Law

Pasure success & min. risk by using US based, UK trained full Financial Call MJM: Tel: US 214-661 5968 Part 214-661 8983

TRAFALGAR SQUARE Your business address and dedicated telephone line. Call regus Business Centres on 071 872 5959. London, Paris, Frankfurt...

BUSINESSES WANTED

US PUBLIC COMPANY Establishing itself in

UK/European market looking for further acquisitions and will may attractive profit multiples.

Write to: Box B2849, Financial Times, One Southwark Bridge, London SE1 9HL

Up to £1,000,000 TO BUY

Financial Software Development Company Based in the South of England

(Principals Only) Send details to Box B2608, Financial Times, One Southwark Bridge, London SE1 9HL

SOUTH AFRICA

Motor Vehicles Distribu

All replies in strictest confidence

PUBLIC LIMITED

Requires companies in Financia Services and Service Industries to add to its portfolio. Companies making £100k - £2m pre-tax with strong committed management teams. Principals only please.

Box B2810, Fatancial Times, karik Bridge, London SE 1 977.

Price Herry

MOVEMENT AND ADMINISTRA

over 80 top locations worldwide.

Large UK based group seeks to purchase the following:-

Light Manufacturing Industry

Write to Box B2927. Financial Times One Southwark Bridge. London SEI 9HL

COMPANY

Please reply to:

TABLE OF THE

47.310

A 18 4 18 18

(مرجع ا

1.47

27 at 5

44

3 5.15 Mound.

WAY TO

1 m 3 to

Lives .

AMERICA:

DATE: 15T 37.

W. 22.32

27

· 1500 文

total for the

神死 经开水

Mark Strings . . .

125 ...

\$ 25.00

素解VICES

AC 28 112 1

182 .

MCL

98 4

27

(m) 1 2 2 2 3

7-²⁰-1

AND READ OF THE

 $\chi_{\rm c}(A_{\rm c}(A_{\rm c})) = 22$

🐞 🖟 10 T

SEASON - L

·遵禁复生!

1成145

 $\Lambda_{2k+1} \Lambda_{2k} \Lambda_{2k} \Lambda_{2k} = -\infty L_k$

7-3- ----

There is

 $\operatorname{supp}(\{p_i\}_i)$

C 4 5 5 5 5 7 1

19.78 P 20 W 4 20

Marian

Section .

> #5 5 - 9 ~

MY

お豆

11 4 1

F 被针

S WANTE

横横 田 東 音光 引 一 一 一 一 一

- 11

A 1000 在在下

1 - - 4 1

CONSUMABLE TOOL MANUFACTURERS

The Joint Administrative Receivers offer for sale the business and assets of Coloro Engineering Limited

- Manufacturers of consumable tools for the fastenertrade and UK agents for overseas punch, dle and machinery manufacturers
- Freehold premises of 11,000 sq ft in South Birmingham, close to the M42
- Full range of tool making and general engineering equipment with a value of \$200,000
- Stock of cold heading machinery and trim dies with a book value of £210,000
- Turnover of approximately \$700,000 p.a.
- Skilled workforce of 15
- Established and extensive austomer base within the fastener inclustry

For further information please contact **Neil Tombs or Andrew Menzies**

ROBSON RHODES

<u>RSM</u> Chartered Accountants

Centre City Tower, 7 Hill Street, Birmingham 85 4UU Telephone: 021-643 1936 Fax: 021-643 4993 Registered to carry on audit work and authorised to carry on investment business by the institute of Chartered Accountants in England and Wales

> LINCOLNSHIRE MARKETING ORGANISATION LIMITED

LINCOLNSHIRE MARKETING ORGANISATION (POTATOES) LIMITED **(BOTH IN ADMINISTRATIVE** RECEIVERSHIP)

- The business and assets of the above Boston based potato and omon packing and marketing business are available for sale as a going concern as a consequence of receivership.
- Modern potato/onion washing, grading and packing tacilities • 10 acre site with cold storage for approx 3,500 tonnes of
- Ambient temperature buildings in excess of 50,000 sq ft
- Turnover in the region of £4.0m p.a.
- Established high street customer base Experienced local workforce of 34

Parties interested in an early acquisition should, in the first instance, contact Richard Rees or Paul Harrison at the address

Price Waterhouse, Victoria House, 76 Milton Street, Nothingham NG1 3QY. Tet: (0602) 419321 Fax: (0602) 475225.

Price Waterhouse



Price Waterhouse is authorised by the Institute of Chartered ntents in England and Wales to carry on I



Geological & Oil Field Service Consultancy

Geoffrey Kinlan and Peter Copp, the Joint Adn Receivers, offer for sale as a going concern the business and assets of Paleo Ltd t/a Paleo Services.

- ◆ Turnover is in the region of £1.5m pa
- Clients include most trajor oil companies in the world.
- · Extensive experience in the North Sea, Northern Europe, Africa, Middle East, South America and Far East
- Mulo-disciplinary geological capability Premises available to purchase or lease in Watford
- Vast geological database and library
- Further information may be obtained from Geoffrey Kinkin or Warren Epstein at Stoy Hayward. Tel: 071-486 5888.

Fax: 071-935 3944

STOY HAYWARD Howathe

Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business 95,2367 85,5730 8 Baker Street, London W1M IDA. Tel: 071-486,5888. Fac: 071-935,3944.

A member of Horwark Internal 25 5750

FOR SALE

COLLECTABLE GIFTWARE COMPANY

Growing Turnover and Profit Strong Cash Generation Well Established - Wide Customer Base

Current pre-tax profit £700,000 + p.a. **Exceptional potential**

Write to Box B2813, Financial Times, One Southwark Bridge, London SEI 9HL.

CONTRACT CATERING BUSINESS FOR SALE As going concern. Established ongoing business with turnover of +£300K. Good profits. Premises with fully fitted modern kitchens. Based in East England.

Interested parties write to:- Robertson, Craig & Co Chartered Accountants, 3 Clairmont Gdns, Glasgow G3 7LW.

FOR SALE

Exclusive West End based menswear shop. Superb location.

Contact Paul Weavers

071-213 1178 for

forther information.

MAGAZINES FOR SALE Two regional business to business controlled circulation titles for sale based in Southern Counties. Reply to Box 82525 Plannetal Times, One Southwark Bridge, Loudon SE1 941L.

SCOTTISH GROUP WISHES TO DISPOSE OF NON-CORE HAULAGE

SERVICES Ficet consists of approx. 20 very modern articulated units with Trailor Neel of approx. 60 comprising refrigerated units, curtainsiders and

£3.0 million aggress transports. Large client base throughout the UK. Modern office and maintenance facilities con be included in lease if

For further details contact: Box B2801, Flamcial Times, One Southwark Bridge, London SBt 941.

WHOLESALE BAKERY 8,000 sq. ft. cen London, Part equipped. Otters for Leaso and/or equip. Box 82504, Financis; Times, One Southwerk Bridge, London SS; SHL.

100+ LIVE BUSINESBER FOR SALE

and sales of assets formightly 071 282 1184 Fax: 071 706 3484

Small chain of 38 pubs in Midlands

and North available as a single ackage. All held freehold or long ehold. 9,500 barrels (1993). Offers around £6 million. Contact Andrew Watt.

LEISURE BUSINESS

- North West - for sale. Good track

ecord with likely profit flours year on

Merch 1984 \$340,000 WITHOUT

benefit of brewery discount.

Валеівое 710 оег естип.

Principale only write to

Box 82807, Financial Times.

One Southwark Bridge.

London SE1 9HL

PUB CHAIN

cessful large capacity discothed

OLIVER KITCHEN & FLYNN TEL 0532 450681 FAX 0532 436241 **FRINCIPALS ONLY**

EXCEPTIONAL OPPORTUNITY UPTOKI UNIT I
TO ACQUIRE EXPANDING UK
FRANCHISORS BUSHIESS

"Il embalsisis frunchises
"Casideraria immediates
"Lacata asymtam, us stell
Priora \$33,800 (recurped in lar pear)
Roph Son \$2205, Flument Times,
One Southwark Bridge, London \$51 911_

FOR SALE Sivel publishing company with a number of profitable trade Rise. Owner seeks retirement. Principals maly, Box B2811, Financial Three, One Southwark Strige, London SEI SHL

The Trustee in Bankruptcy in relation to The Savoy Bingo Club, offers the business and assets as a going concern for an early sale. Sallent leatures include:

The Savoy Bingo Club

- large treehold property including fully fitted 750 seat bingo club;
- gross ennual receipts in excess of £5 million;
- computerised cash bingo with 196 playing positions: ■ 1,200 admissions per week, and 20 gaming machines; and

For further Information please contact Tony Thompson, KPMG Peel Merwick, Norfolk House, 499 Silbury Goulevard, Central Milton Keynes, Bucks, MK9 2HA. Telephone 0908 661881. Fax 0908 660293.

KPING Corporate Recovery

Purse Plus Limited

The joint administrative receivers offer for sale, as a point concern, the business and assets of Purse Plus Limited operating as high quality leather goods relaiters. Principal leatures include:

- Annual sales of some £1.2 million. Four leasehold, fully equipped, shops in Bayswaler, Wimbledon, Bromley, and
- A substantial quantity of high quality leather goods and lashion accessories.
- Full and part-lime staff of 16.

WILL<u>I</u>AM HILLARY

NORTH EAST ENGLAND

EXISTING HOTEL

AND GOLF RESORT

140 BED HOTEL WITH SUBSTANTIAL CONFERENCE,

BANQUETING AND LEISURE FACILITIES

18 HOLE CHAMPIONSHIP GOLF COURSE IN

9 RCI GOLD AWARD TIMESHARE LODGES

LODGE & 8 DORMI STUDIOS

PLANNING PERMISSION FOR ADDITIONAL 18 HOLE GOLF COURSE AND 61 RESORT PROPERTIES

OFFERS IN THE REGION OF

£4 MILLION FREEHOLD

BROCHURE FROM SOLE SELLING AGENTS:

WILLIAM HILLARY LESURE & HOTELS

123 CANNON STREET, LONDON ECAN SAX

TEL: 071 623 3233 FAX: 071 929 0681

LEISURE & HOTELS

SOUTHERN ENGLAND

/SOUTH COAST

For Sale

Powder Coating Company

Rare opportunity to acquire profitable business.

Turnover£350k per annum. For details please reply to:

Box B2802, Financial Times,

One Southwark Bridge, London SE1 9HL

Instructions Joint Receivers

THE WINTER GARDENS

HOTEL, WEST CLIFF,

BOURNEMOUTH

Amaigamating the former

70 e/s letting bedrooms,

restaurant (96), lounge/bar,

function suite, leisure suite

(indoor pool, sauna, solarium

etc). 10 staff bedrooms, garden, car park. Net T/O £392,836 (run

under management).

Offers invited freshold complet

ROBERT BARRY & CO.

(0285) 641642

LEGAL NOTICES

MARTEN THE NEWSAGENT LIMITED IN a Petition prepared to the Court of Sension on 3rd May 1994 at the instance of Martin the Newsagent Limited, a Company Interoperated under the Companies Acts with the No. US40 and having its Engineered Office at 26 Manno Place, Chagone 613 2019, for confinention of reduction of explicit and sociation of share prunisms account, the Court has processed the following interhection—Tellishungs, 30 May 1994.

The Looks associated.

"Edinburgh, 30 May 1994
The Looks appoint the Parities to be infinished on the Walls and to be advertised uses in each of the Edinburgh Gazette, The Scotsman, The Herské and The Plennich! Triers surverpapent, allow any party chalming an interest to todge Answers thereon, if so advised, within twenty-one days after such indication and advantaments.

Donald M. Ross L.P.D." of all which interested is hereby given.

Roofers WX

LS Arholl Cresces

osvenor Court Hotel to provide

For further information, contact the joint administrative receiver, Tony Thompson. KPMG Peat Marwick, Aquis Court, 31 Fishpool Street, St Albans, Hertfordshire AL3 4RF, Telephone 0727 843000. Fax: 0727 864423.

KPMG Corporate Recovery

CAPE AND DALGLEISH **CHARTERED ACCOUNTANTS**

BISHOP PIPEFREEZING SERVICES LIMITED (IN ADMINISTRATION)

G C A MORPHITIS AND F F A WESSELY THE JOINT ADMINISTORS OFFER FOR SALE THE BUSINESS AND ASSETS OF AN ENGINEERING COMPANY BASED IN LONDON SE16.

- Market leader in the commercial pipefreezing industry Large blue chip customer base
- Provisional orders of £150,000
- Turnover for the year prior to Administration £912,000
- Administrators 401 ST JOHN STREET, LONDON EC1V 4LH

TEL: 071-833 2333 FAX: 071-837 7347

FOR SALE MANAGED OFFICES BRISTOL

as going concern plus irecheld producing 13% £575,000. Write to Box B2800, Financial Times One Southwark Bridge, London SEI 911L

APPOINTMENTS

SENIOR ANALYST

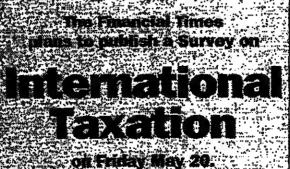
- FIXED INCOME RESEARCH

Lasting International City-based investment firm requires Senior Analyst to support corporate bond trading, sales, and new issue syndication working closely with sales and trading professionals to carry out market-sensitive credit research covering e wide variety of European rieks. Education to at least MSA level, with specialisation in Finance and/or Economics, aged 35-40. Language proficiency in French, Garman, Italian end Spanish. Minimum B years international and U.S. experience in: Credit Analysis, Corporate Finance/Banking, and Osrivative Capital Markel Products. Marketing experience in Commercial and/or Private Banking, or other relat demonstrating ability to develop end maintain client relationship advantageous. Selary negotiable. Please write confidentially, enclosing full C.V. to Eqx A2029, Financial Times, One Southwark Bridge, London, SE1 9HL.

INVESTMENT BANKING

The Financial Institutions Group of this leading international investment firm requires an investment banker to specialise in mergers and acquisitio and equity transactions emanating from Southern Europe. The success andidate, aged 25-30, educated to MBA standard and fluent to Spanish i ddition to English, will have minimum 2-3 years' relevant experience preferably gained in Southern Europe, strong analytical abilities and full nderstanding of South European economy. Salary circa £34,000.

Please write in strictest confidence, enclosing full curriculum vitae, to Box A2030, Financial Times, One Southwark Bridge, London SEI 9BL



The survey will review the taxation system worldwide and examine the challenges it will face in 1994 and the implications for the international business community. The survey will reach an estimated international readership of 1 million.

For an entracial pyropais and information on advertising oppor please contact MELANGE MILES on Tol: 071 673 4874 Fax: 071 873 3064

FT Surveys

WELDON (UK) LIMITED

ASCHITECTURAL JOINERS AND SECURITY DOOR ENGINEERS

(In Administrative Receivership)

The Joint Administrative Receivers, N. J. Dargan and P. H. Bendall, offer for sale the business and assets of Weldon (UK) Limited.

- Well-equipped workshop.
- Skilled workforce of 22.
- Circa £1 million turnover per annum.
- Freehold property 12,000 sq it near the centre of Wigan.
- Nationwide Local Authority and PLC client base.

For further details, please contact Nick Dargan or Bill Dawson

at Touche Ross & Co., Abbey House, PO Box 500, 74 Movley Street, Manchester M60 2AT. Tel; 061 228 3456, Fax: 061 236 0720.

Touche

Ross

Advertiser S.W. Schiland

offers for sale a complete

water bottling plant newly

installed and ready for use.

Premises included and

ample supply of E.H.O.

Approved spring water

capable of being uprated to

Great potential especially

Ill health reason for sale and

terms considered to suitable

RING 0988 403404

National Mineral Water.

for "own label bottling."

YORKSHIRE SPORTS LIMITED

The shareholders of Yorkshire Sports Limited are considering retirement and offer tor sale the shares in the company, of the whole or either part of its business.

- The company is based in Horrogate, North Yorkshire. Long leasehold site with further development
- potential adjacent to the Yorkshire Showground.
- Established dry-slope ski centre with an annual turnover of \$160k and membership of 300.
- Leisure centre including 4 squash courts and modern fitness centre (lecently refurblished), function room, catering facilities and licensed bar. Turnover £190k. 600 members.
- Well known for quality of fullion with internationally respected cooc ies and British team members in both
 - Committed, enthusiastic workforce comprising 19 full and port time employees.

For further information please contact

Chris Marshall, Corporate Finance Manager RSM

ROBSON RHODES

Libertrans Accountants St George House, 40 Great George Street, Leeds LS1 3DQ Telephone: 0532 459631 Fac: 0532 436129

The clirectors of Yorkshite Sports Limited accept responsibility for the contents of this advertisement which has been approved by a firm outhorised by the institute of Chartered Accountants in England and Wales to carry an investment business

Jenny Dec 1 PUBLIC HOUSE & HOTEL Salterbebble IIII, Huddersfield Road Halliax, West Yorksbire ni apportunty in accepte a habitar, il-laid lamanicae, evice, il mice inun; j. 3., MiCl. manurers, lepit Preciodal Jose 197 The Nubble livenes and our parista facilities (L. 1) - lacdropped love filteds. Caldre i fours, Dry Dock, hierostrophes additions of private properties.

SUPERANTIAL OFFICER are requested for the whole set histograph to investory of flatures & detings and Geodesil. NAV BUYING . SELLING A BUSINESS? RECRUITMENT / EMPLOYMENT AGENCY

Network The network is a group of acc The network is a group of accountants, splictions, interreductions, brokers and company owners who are selling or buying hustresses in:
Nenetartating - Engineering - Industry Construction - Commence - Services.

in page your landwast reparament free of their on the remork or for membership details call 071 434 9992 Statistics Associal longon WIV TOE Remote many SMI hands seen for table

SECURITY COMPANY

For sale in Fuengirola, Spain. Full permissions obtained for

has ceased trading but remains properly constituted with issued and payed-up thate capital. 140 sq.mir. warchouse and

offices optionally available. Skyguard S.A. Tel: 34-5-2832660,

Fax: 34-5-2836734

onstituted with assure and payment capital. 140 sq.mir. wareho

a, distribution etc. Company

London based Existing management annual sales - £3m * Nett profit 5.5%. Interested purchasers

please contact

Box B2806, Financial Times, One outhwark Bridge, London SE1 911L. PLANT HIRE BUSINESS

Write to Box 52809, Financial Tie

SPECIALIST

A well established Plant Hire namess is offered for sale due to the impending retirement of the owner. Turnover £850,000.00 **Excellent Profits.** Well established clientels to include Council and British Gas contracts.

CONTRACTS & TENDERS

SUGAR & INTEGRATED INDUSTRIES COMPANY (S.I.I.C.)

> 12 GAWAD HOSNY STR. CAIRO/A.R.E.

> > PURCHASING SECTOR

Announce for the International TENDER NO. 1/6 BELKAS for importing steel & St.St. longitudinally welded tubes for BELKAS PROJECT financed by the SAUDI FUND FOR DEVELOPMENT according the following:

- . Offers will be received & opened on 15/6/94 at 12 O'clock Cairo local time.
- 2. Tender documents can be obtained from above address against a stamped application and paying L.E.1000 for one set to be increased by 10% in case of it is requested by MAIL.
- 3. Offers should be submitted through registered EGYPTIAN AGENT and accompanied by the following: a. Original of agency form 14C for review & copy of it attached with the offer.
- b. Copy of receipt of Purchasing the tender documents.
- c.2% at least (bid bond) unconditional bank guarantee issued from a first class bank & endorsed from a first class EGYPTIAN BANK to be increased to 10% in case of awarding contract.
- 4. Offers not comply strictly with terms will be rejected without response.



Sir Michael Palliser, 72, (above), a former head of the British diplomatic service, bas joined the board of the Exploration Company of Louisiana, a small loss-making US oil company which has been raising money in the London mar-

Sir Michael, vice chairman of Samnel Montagu, is a former director of BAT Industries, Bookers, Eagle Star, Shell and United Biscuits. Given his age, there is some surprise that he is taking on additional directorships. However, he is two years younger than Arthur Hummel, a former US ambassador to China, who has also joined the board. Henderson Crosthwaite, the

UK brokers to the company, which has a substantial UK

investor following, played

as editor of the Investors

Chronicle, a weekly magazine

owned by the Financial Times.

She replaces Gillian O'Connor,

one of the longest serving edi-tors of the Investors Chronicle,

who became the FI's personal

finance editor earlier this year.

Liverpool University, started

her career as a graduate trainee with Midland Bank but

Jones, who read English at

down the age of the new directors. Exploration Company of Louisiana, which has until recently been exploring for oil and gas in the US Gulf coast area, has started looking for oil in China. It raised \$25m earlier this

year to belp finance the dril-ling of three wells in the Zhao Dong block in China's Bohai Bay. The recruitment of a conple of well-connected septuage narians is designed to give the company some hoardroom clout in a part of the world where businessmen often do not reach their prime until they pass their 70th birthday.

Sir Michael and Hummel join a hoard which already includes an ex-mayor of Houstoo and a descendant of the New Orleans banking family which invented Tabasco sauce.

New editor for Investors Chronicle

a year later switched to finan-

cial journalism. After stints

with Planned Savings and Pen-

sions Management, she has edited Financial Adviser.

another FT weekly magazine,

The magazine, which has a

free circulation of 44,000,

claims that it is the most widely read title among finan-cial intermediaries, and Jones has been given the task of sub-

for 51/2 years.

m One of the side effects of the change of control of USBORNE, the grain trading Angela Rohluson, chief and pig production company whose chairman is Lord Cecil Parkinson, is that chief executive David Frame has stepped aside rather earlier than his planned retirement on reach-

ing 60 in July this year.
Michael Adams, the director responsible for the group's grain trading operations, has taken over as group managing director.

Frame, who last week sold a 36 per cent stake in the com-pany to David Thompson, a shareholder, is staying on as a director of the company until July and thereafter will act as a trade adviser to Usborne Grain.

Financial problems hit the group early in April, forcing the suspension of its shares. Thompson's company, Thompson Investments, now controls just over 50 per cent of Usborne's equity.

Downie Brown, formerly

Pillar, has been appointed group finance director of HARLAND AND WOLFF. Derrick Broomfield, formerly group finance director of Jeyes, has been appointed finance director of POWERHOUSE RETAIL. David Callear, formerly group chief executive of TIP Europe, replaces Broomfield as group fd and deputy group chief executive at JEYES. John Legg is promoted to md, product support division at SMITHS INDUSTRIES Aerospace on the retirement of Ian Newton; Nicholas Wilton is promoted to md defence systems division on the retirement of Derek Jackson

■ Peter Owens has been promoted to finance director of FINA, part of Petrofina. Nigel Walmsley has been appointed chairman of Carlton Television; he succeeds Michael Green who remains

circulation. Last year it rose by

regarded as over-ambitious"

executive of the Yorkshire Regional Blood Transfusion Service, will become medical director of the NATIONAL BLOOD TRANSFUSION SERVICE on the retirement of Harold Gunson at the end of June.

Sir Frank Lampi, chairman of Bovis Construction Group. has been appointed first Chancellor of KINGSTON UNIVERSITY.

Simon Arnold, chairman

of Bain Clarkson, has been

appointed chairman-elect of the BRITISH INSURANCE AND INVESTMENT BROKERS' ASSOCIATION. Sir Michael Checkland, former director-general of the BBC, has been oppointed an independent trustee of REUTERS FOUNDERS SHARE

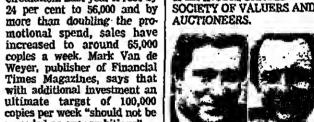
COMPANY. ■ Mike Short, Celinet's director of external affairs, has been appointed vice-chairman of the European committee on GSM networks. E Stephen Watson, director of the Judge Institute of Management Studies at the University of Cambridge, has

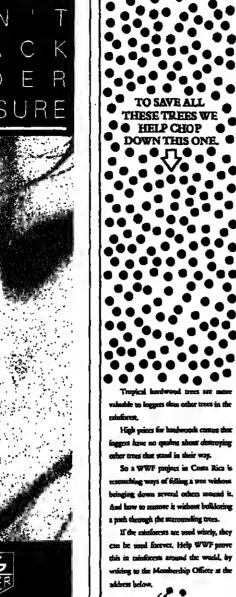
been appointed dean of LANCASTER UNIVERSITY Management School E John Thurston, md of the Watts Tyre & Rubber Group. has been appointed president of the NATIONAL TYRE DISTRIBUTORS

ASSOCIATION. Michael Pickard, chairman of London Docklands Development Corporation, and Mark Wood, red of AA Insurance and Financial Services, have been appointed to the committee of The AUTOMOBILE ASSOCIATION.

Robbie Gilbert, director of employment affairs at the CBL has been appointed a member of the council of ACAS, In succession to the late Richard Peter Foreman (below left),

md of Sun Alliance International, has been appointed chairman of the Loss Prevention Council on the resignation of John Carter. Roger Carson (below right) stantially increasing the IC's has been appointed president of the INCORPORATED SOCIETY OF VALUERS AND





(factority World Wildlife Fund) nous Secretary, 1796 Gland, Swe SHARE DEALING SERVICE 081-944 0111 **LOW COST**

TAGHeuer

World Wide Fund For Nature

INVESTORS - TRADERS - CORPORATE TREASURERS SATQUOTE™ - Your single service for real time quotes.

RERKELEY FUTURES LIMITE 38 DOVER STREET, LONDON WIX 3EB POR AN EFFICIENT CMPETITIVE SERVI TEL: 071 629 1133 FAX: 071 495 0022

FOR TRADERS ON THE MOVE

Duff Forecasts and Market Myths for 1994

DAILY FOREIGN EXCHANGE COMMENTARIES, CHARTS, FORECASTS AND RECOMMENDATIONS

IF YOU GO DOWN TO THE WOODS TODAY

Daily Gold Fax - tree sample From Chart Aralysis Ltd 7 Swiffow Street, London Wife 7HD, UK -commodity specialists for over 22 years

INTERNATIONAL ECONOMIC INDICATORS: PRICES AND COMPETITIVENESS

Yearly figures are shown in index form with the common base year of 1985. The real exchange rate is an index throughout; other quarterly and monthly figures show the percentage change over the corresponding period in the previous year and are positive unless otherwise stated.

	E UNIT	ED ST	ATES			I JAPA	W				E GER	MANY			
	Constant	Producer prices	Earphys	Costs Introcur	Flori destamps spike	Comment prices	Producer prices	Estalogs	Units tributes	(fine) doctorage toda	Consumer prices	Producer prices	Elmings	Unit Inboor costs	Real authorage rate
1965	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	101.8	98,6	102.2	99,4	85.0	100.8	95.3	101.4	103.4	118.4	99.9	87.5	103.8	103.8	107.4
1967	105.6	100.7	103.8	96.7	76.2	101.2	92.5	103.1	100.6	122,9	100.1	95.0	108.0	107.1	110.9
1968	109.9	103.2	106.9 110.0	99.1	71.1	102.2	92.3	107.8	96.2	131.0	101.4	96.2	113.0	106.9	110.0
1988 1990	11 8.2 121.5	108,5 113,6	113.8	104.3	74.8 73.4	104.9 108.2	94.2 95.7	114.0 120.1	96.1 96.3	123.5 108.3	104.2 107.0	99.3 101.0	117.3 123.8	106.0	107.8 110.7
1991	126.6	118.3	117.3	107.8	74.2	111.8	96.8	124.2	101.8	114.6	110.7	103.4	131.8	115.0	106.1
1992	130.4	117.7	120.2	108.1	74.2	113.9	95.S	125.8	111.0	116.3	115.1	104.8	138.6	121.5	108.8
1993	134.3	118.2	123.4	105.5	76.8	115.3	94.3	125.8	116.6	134.0	119.8	104.8	100.0	125.6	110.1
2nd qtr.1993	3.2	2.0	2.5	-22	75.7	1.0	~1.4	0.7	5.3	133.2	4.2	-0.2	17,2	5.5	109.5
3rd qtr.1993	2.8	0.7	2.5	-2.6	76.2	1.6	~1.8	0.4	4.4	140.7	4.2	-0.2	D.B.	1.8	109.6
4th qtr. 1993	2.7	0.3	3.0	-3.0	76,7	1.2	-21	-0.1	5.1	137.6	3.7	-0.2	n.a.	-2.4	109.7
1st qtr.1994	2.5	0.2	8.0	-1,7	77,0	1.4				137.8	3.3	0.2	n.a.		107.2
May 1983 June	3.2 3.0	21 1.3	2.5 2.5	-1.9 -2.7	75.8 75.9	1.1 1.0	~1.5 ~1.5	-0.8	5.3 5.4	132.2	4.2 4.2	-0.2 -0.4		5.8 3.4	109.4 108.4
July .	2.8	1.3	2.5	-2.5	77.3	1.8	~1.7	~1.2	5.4	138.7	4.3	-0.2		2.9	108.1
August	2.8	0.5	25	-2.6	75,9	2.0	-1.8	2.3	2.6	144.0	4.2	-0.2		0.2	109.5
September	27	0.4	2.5	-2.7	75.4	1.3	-2.0	1.5	5.4	139.4	4.0	-0.3		1.8	111.1
October	28	0.2	2.5	-2.9	75.g	1.2	-21	0.6	7.8	138.5	3.9	-0.2		-0.2	111.1
November	2.7	0.4	3.3	-22	77.0	0.9	-21	1.7	3.4	138.7	3.6	-0.2		-3.5	109.4
December January 1994	2.8 2.5	0.2 0.2	3.3 2.5	-3.8	77.4 77.8	1.3 1.4	-2.1	~1.1 4.5	4.2 4.2	185.9 134.5	3.7 3.5	-0.1		-3.3	109.0
February	25	0.2	3.3	-1.5	77.0	1,4	-2.1	4.3	4.2	139.4	3.4	0.0 0.2			107.2
March	25	0.2	3.3	-1.8	76.4	1.3	-22			139.7	3.2	0.3			105.6 107.5
April					76,4	0.8	_			141.8	3.2				106.8
	■ FRAI	ICE				ITAL	Y				I UNIT	ED KI	HODON		
	Continuer	Presignar prices		Uelt fabour	Rest	_				Ringi					Real
			Egrology	COMM	orchenge (db)	Conguster	Producer	Condens	Upit Missor Chain	CHEPROSO	Consumer	Producer		Unit	-
1985	100.0	100.0	100.0	100.0	100.0	Prices 100.0	Producer prices 100.0	fimilige 100.0	tools 100.0	100.0	pricus	prices	Eurologia 100.0	costs jabour	rute
1986	100.0 102.5	100.0 87.2	100.0 104.5	100.0 101.5	100.0 103.4	100.0 106.1	100.0 100.2	100.0 104.8	100.0 102.7	100.0 101.3	100.0 103.4		100.0	costs 100.0	100.0
1986 1967	100.0 102.5 105.9	100.0 87.2 97.8	100.0 104.5 107.8	100.0 101.5 103.0	100.0 103.4 104.8	100.0 106.1 111.0	100.0 100.2 103.2	100.0 104.8 111.8	100.0 102.7 105.6	100.0 101.3 102.0	100.0 103.4 107.7	100.0		100.0 104.5	100.0 94.2
1986 1967 1988	100.0 102.5 105.9 105.8	100.0 87.2 97.8 102.8	100.0 104.5 107.8 111.1	100.0 101.5 103.0 103.8	100.0 103.4 104.8 102.2	100.0 106.1 111.0 116.5	100.0 100.2 103.2 106.6	100.0 104.8 111.8 118.4	100.0 102.7 105.6 109.7	100.0 101.3 102.0 100.2	100.0 103.4 107.7 113.0	100.0 101.4 104.9 106.7	100.0 107.7 110.3 126.2	costs 100.0	100.0
1986 1967 1988 1989	100.0 102.5 105.9 105.8 112.0	100.0 87.2 97.8 102.8 108.4	100.0 104.5 107.8 111.1 115.4	100.0 101.5 103.0 103.8 105.3	100.0 103.4 104.8 102.2 99.8	100.0 106.1 111.0 116.5 124.2	100.0 100.2 103.2 106.6 113.1	100.0 104.8 111.8 118.4 125.6	100.0 102.7 105.6 109.7 112.3	100.0 101.3 102.0 100.2 103.6	100.0 103.4 107.7 113.0 121.8	100.0 101.4 104.9 106.7 113.9	100.0 107.7 118.3 128.2 137.2	100.0 104.5 107.1 110.0 114.8	100.0 94.2 94.6 102.3 101.3
1986 1967 1988 1989 1990	100.0 102.5 105.9 105.8 112.9 116.5	100.0 87.2 97.8 102.8 108.4 107.1	100.0 104.5 107.8 111.1 115.4 120.8	100.0 101.5 103.0 103.8 105.3 109.5	100.0 103.4 104.8 102.2	100.0 108.1 111.0 118.5 124.2 131.8	100.0 100.2 103.2 106.6 113.1 117.8	100.0 104.8 111.8 118.4 125.6 134.7	100.0 102.7 105.6 109.7 112.3 118.8	100.0 101.3 102.0 100.2 103.6 106.2	100.0 103.4 107.7 113.0 121.8 133.3	100.0 101.4 104.9 106.7 113.9 121.0	100.0 107.7 118.3 126.2 137.2 150,1	100.0 104.5 107.1 110.0 114.8 123.2	100.0 94.2 94.6 102.3 101.3 102.5
1986 1967 1988 1989	100.0 102.5 105.9 105.8 112.9 116.5 120.2	100.0 87.2 97.8 102.8 108.4	100.0 104.5 107.8 111.1 115.4	100.0 101.5 103.0 103.8 105.3	100.0 163.4 104.8 102.2 99.8 103.8	100.0 106.1 111.0 116.5 124.2	100.0 100.2 103.2 106.6 113.1	100.0 104.8 111.8 118.4 125.6	100.0 102.7 105.6 109.7 112.3	100.0 101.3 102.0 100.2 103.6 106.2 105.5	100.0 103.4 107.7 113.0 121.8 133.3 141.2	100.0 101.4 104.9 106.7 113.9 121.0 127.5	100.0 107.7 118.3 128.2 137.2 150,1 162.4	100.0 104.5 107.1 110.0 114.8 123.2 181.8	100.0 94.2 94.6 102.3 101.3 102.5 106.5
1986 1957 1988 1989 1980 1981	100.0 102.5 105.9 105.8 112.9 116.5	100.0 87.2 97.8 102.8 108.4 107.1 105.8	100.0 104.5 107.8 111.1 115.4 120.8 125.8	100.0 101.5 103.0 103.8 105.3 109.5 113.8	100.0 103.4 104.8 102.2 99.8 103.8 102.2 105.7 108.5	100.0 106.1 111.0 116.5 124.2 131.8 140.3	100.0 100.2 103.2 106.6 113.1 117.8 121.7	100.0 164.8 111.8 118.4 125.6 134.7 147.9	100.0 102.7 105.6 109.7 112.3 118.8 131.3	100.0 101.3 102.0 100.2 103.6 106.2	100.0 103.4 107.7 113.0 121.8 133.3	100.0 101.4 104.9 106.7 113.9 121.0	100.0 107.7 118.3 126.2 137.2 150,1	100.0 104.5 107.1 110.0 114.8 123.2	100.0 94.2 94.6 102.3 101.3 102.5
1986 1967 1968 1969 1960 1961 1991 1992 1993 2nd qtr.1993	100.0 102.5 105.9 105.8 112.0 116.5 120.2 123.1 125.6	100.0 87.2 97.8 102.8 108.4 107.1 105.8 104.0 101.1	100.0 104.5 107.8 111.1 115.4 120.8 125.8 130.3 133.7	100.0 101.5 103.0 103.8 105.3 109.5 113.8	100.0 163.4 104.8 102.2 99.8 103.8 102.2 105.7 108.5	100.0 108.1 111.0 116.5 124.2 131.8 140.3 147.7 153.9	100.0 100.2 103.2 106.6 113.1 117.8 121.7 124.0 128.7	100.0 104.8 111.8 118.4 125.6 134.7 147.9 155.9 161.2	100.0 102.7 105.6 109.7 112.3 118.8 131.3 136.8	100.0 101.3 102.0 100.2 103.6 106.2 105.5 101.9 87.3	100.0 103.4 107.7 113.0 121.8 133.3 141.2 148.4 148.7	100.0 101.4 104.9 106.7 113.9 121.0 127.5 131.5 136.7	100.0 107.7 110.3 126.2 137.2 150.1 162.4 173.1	100.0 104.5 107.1 110.0 114.8 123.2 181.8 134.5	100.0 94.2 94.8 102.3 101.3 102.5 106.5 103.5 95.7
1986 1967 1968 1989 1980 1981 1982 1993 2nd qtr.1983 3rd qtr.1983	100.0 102.5 105.9 105.8 112.8 116.5 120.2 123.1 125.6 2.0	100.0 87.2 97.8 102.8 108.4 107.1 105.8 104.0 101.1	100.0 104.5 107.8 111.1 115.4 125.8 125.8 130.3 133.7	100.0 101.5 103.0 103.8 105.3 109.5 113.8	100.0 103.4 104.8 102.2 99.8 103.8 102.2 105.7 108.5	100.0 108.1 111.0 118.5 124.2 131.8 140.3 147.7 153.9 4,1	100.0 100.2 103.2 106.6 113.1 117.8 121.7 124.0 128.7	100.0 104.8 111.8 118.4 125.6 134.7 147.9 165.9 161.2	100.0 102.7 105.6 109.7 112.3 118.8 131.3 136.8	100.0 101.3 102.0 100.2 103.8 106.2 105.5 101.9 87.3 88.4 87.9	100.0 103.4 107.7 113.0 121.8 153.3 141.2 148.4 148.7	100.0 101.4 104.9 108.7 113.9 121.0 127.5 131.5 136.7	100.0 107.7 110.3 128.2 137.2 150.1 162.4 173.1 180.9	100.0 104.5 107.1 110.0 114.8 129.2 181.8 134.5 134.8	100.0 94.2 94.8 102.3 101.3 162.5 103.5 95.7 95.3 97.1
1986 1967 1968 1989 1980 1980 1981 1992 1993 2nd qtr. 1993	100.0 102.5 105.9 105.8 112.0 116.5 120.2 123.1 125.6	100.0 87.2 97.8 102.8 108.4 107.1 105.8 104.0 101.1	100.0 104.5 107.8 111.1 115.4 120.8 125.8 130.3 133.7	100.0 101.5 103.0 103.8 105.3 109.5 113.8	100.0 163.4 104.8 102.2 99.8 103.8 102.2 105.7 108.5	100.0 108.1 111.0 116.5 124.2 131.8 140.3 147.7 153.9	100.0 100.2 103.2 106.6 113.1 117.8 121.7 124.0 128.7	100.0 104.8 111.8 118.4 125.6 134.7 147.9 155.9 161.2	100.0 102.7 105.6 109.7 112.3 118.8 131.3 136.8	100.0 101.3 102.0 100.2 103.6 106.2 105.5 101.9 87.3	100.0 103.4 107.7 113.0 121.8 133.3 141.2 148.4 148.7	100.0 101.4 104.9 108.7 113.9 121.0 127.5 131.5 136.7 4.0 4.3 3.6	100.0 107.7 119.3 126.2 137.2 150.1 162.4 173.1 180.9	100.0 104.5 107.1 110.0 114.8 123.2 181.8 134.5 134.8	100.0 94.2 94.8 102.3 101.3 102.5 106.5 108.5 95.7 95.3 97.1 97.1
1986 1967 1968 1969 1989 1991 1992 1993 2nd qir.1993 4th qir.1993	100.0 102.5 105.8 112.6 116.5 120.2 123.1 125.6 2.0 2.2 2.1 1.7	100.0 87.2 97.8 102.8 108.4 107.1 105.8 104.0 101.1 ~3.3 ~3.4 ~2.2	100.0 104.5 107.8 111.1 115.4 120.8 125.8 130.3 133.7 n.a. n.a.	100.0 101.5 103.8 105.3 109.5 113.8 115.8	100.0 103.4 104.8 102.2 99.8 102.2 105.7 108.5 109.7 108.5 107.7	100.0 108.1 111.0 118.5 124.2 131.8 140.3 147.7 153.9 4.1 4.3 4.1 4.2	100.0 100.2 103.2 108.6 113.1 117.7 124.0 128.7 3.9 4.3 3.9	100.0 164.8 111.8 112.6 125.6 134.7 147.9 155.9 161.2 3.1 4.1 3.6	100.0 102.7 105.6 109.7 112.3 118.8 131.3 136.8	100.0 101.3 102.0 100.2 103.6 106.2 105.5 101.9 87.3 88.4 87.9 85.7	100.0 103.4 107.7 113.0 121.8 133.3 141.2 148.4 148.7	100.0 101.4 104.7 108.7 113.9 121.0 127.5 131.5 136.7 4.0 4.3 3.6 3.3	100.0 107.7 110.3 120.2 137.2 150.1 162.4 173.1 180.9	100.0 104.5 107.1 110.0 114.8 123.2 181.8 134.5 134.8 -0.5 1.2	100.0 94.2 94.6 102.3 101.3 102.5 105.5 103.5 95.7 97.1 97.1 98.6
1986 1967 1968 1989 1990 1990 1992 1992 1993 2nd qtr.1993 4th qtr.1993 4th qtr.1993 1st qtr.1994 May 1993 June	100.0 102.5 105.8 112.6 118.5 120.2 123.1 125.6 2.0 2.2 2.1 1.7 2.0	100.0 87.2 97.8 108.4 107.1 105.8 104.0 101.1 -3.3 -3.4 -2.2	100.0 104.5 107.8 111.1 115.4 120.8 125.8 130.3 138.7 n.a. n.a.	100.0 101.5 103.0 103.8 105.3 108.5 113.8 115.8	100.0 103.4 104.8 102.2 99.8 103.8 102.2 105.7 106.5 107.7 106.5 107.5	100.0 106.1 111.0 118.5 124.2 131.8 147.7 153.9 4.1 4.3 4.1 4.2	100.0 100.2 103.2 108.6 113.1 117.8 121.7 124.0 128.7 3.9 4.3 3.9	100.0 104.8 111.8 1125.6 134.7 147.9 155.9 161.2 3.1 4.1 3.6	100.0 102.7 105.8 109.7 112.3 118.8 131.3 136.8 2.8 2.1	100.0 101.3 102.0 100.5 108.2 108.5 101.9 87.3 88.4 87.9 85.7 85.7	100.0 103.4 107.7 113.0 121.8 133.3 141.2 148.4 148.7 1.3	100.0 101.4 104.9 108.7 113.9 121.0 127.5 131.5 136.7 4.0 4.3 3.6	100.0 107.7 110.3 120.2 137.2 150.1 162.4 173.1 180.9 5.0 4.4 3.9	100.0 104.5 107.1 110.0 114.8 123.2 181.8 134.5 134.8 -0.5 1.7	100.0 94.2 94.6 102.3 101.3 102.5 106.5 103.5 95.7 95.3 97.1 98.5 95.5
1986 1987 1988 1989 1980 1981 1992 1993 2nd qtr.1993 4th qtr.1993 1st qtr.1994 May 1993 June June	100.0 102.5 105.9 105.8 112.6 116.5 120.2 123.1 125.6 2.0 2.2 2.1 1.7	100.0 87.2 97.8 102.8 108.4 107.1 105.8 104.0 101.1 -3.3 -3.4 -2.2	100.0 104.5 107.8 111.1 115.4 120.8 125.8 130.3 133.7 n.a. n.a.	100.0 101.5 103.0 103.8 105.3 109.5 113.8 115.8	100.0 103.4 104.4 102.2 99.8 103.8 102.2 105.7 106.5 107.7 106.5 109.8 109.8 109.8	100.0 100.1 111.0 118.5 124.2 131.8 140.3 147.7 153.9 4.1 4.3 4.1 4.2 4.0 4.2	100.0 100.2 103.2 106.6 113.1 117.8 121.7 124.0 128.7 3.9 4.3 3.9	100.0 104.8 111.8 118.4 125.6 134.7 147.9 161.2 3.1 4.1 3.6	100.0 102.7 105.6 109.7 112.3 118.8 131.3 136.8	100.0 101.3 102.0 103.8 106.2 105.5 101.9 87.3 88.4 87.7 85.1	100.0 103.4 107.7 113.0 121.8 133.3 141.2 148.4 148.7 2.3 1.8 1.5 2.4	100.0 101.4 104.9 108.7 113.9 127.5 131.5 136.7 4.0 4.3 3.6 3.3	100.0 107.7 110.3 120.2 137.2 150.1 162.4 173.1 180.9	100.0 104.5 107.1 110.0 114.8 123.2 181.8 134.5 134.5 1.2 1.7	100.0 94.2 94.8 102.3 102.5 106.5 108.5 95.7 95.3 97.1 97.1 96.5 96.5
1986 1987 1988 1989 1980 1981 1992 2nd qtr.1993 3rd qtr.1993 4th qtr.1993 4th qtr.1993 July May 1983 July August	100.0 102.5 105.8 112.6 116.5 120.2 123.1 125.6 2.0 2.2 2.1 1.7	100.0 87.2 97.8 102.8 108.4 107.1 105.8 104.0 101.1 -3.3 -3.4 -2.2	100.0 104.5 107.8 111.1 115.4 120.8 125.8 130.3 133.7 n.a. n.a.	100.0 101.5 103.0 103.8 105.3 108.5 113.8 115.8	100.0 103.4 104.8 102.2 99.8 103.5 108.5 108.7 108.5 107.7 107.5 109.8 109.0 108.5 109.0	100.0 108.1 111.0 118.5 124.2 131.8 140.3 147.7 153.9 4.1 4.3 4.1 4.2 4.4 4.4	100.0 100.2 103.2 108.6 113.1 117.8 121.7 124.7 128.7 3.9 4.3 3.9 4.1 4.4	100.0 164.8 111.8 1125.6 134.7 147.9 155.9 161.2 3.1 4.1 3.6	100.0 102.7 105.6 109.7 112.3 118.8 131.3 136.8	100.0 101.3 102.0 100.2 103.6 106.2 105.2 105.2 105.9 87.3 88.4 87.9 85.7 85.1	103.4 107.7 113.0 121.8 133.3 141.2 148.4 148.7 1.3 1.8 1.5 2.4	100.0 101.4 104.9 108.7 113.9 127.5 131.5 136.7 4.0 4.3 3.3 4.0 4.0 4.3	100.0 107.7 1128.2 128.2 137.2 150.1 162.4 173.1 180.9 5.0 4.4 3.9 4.8 4.9 5.0 3.6	100.0 104.5 107.1 110.0 114.8 123.2 181.8 134.5 134.8 -0.5 1.7	100.0 94.2 94.6 102.3 101.3 102.5 106.5 103.5 95.7 95.3 97.1 98.5 95.5
1986 1967 1968 1989 1980 1980 1993 1993 2nd qbr.1993 4th qbr.1993 4th qbr.1993 1at qbr.1994 May 1963 June Juny August September	100.0 102.5 105.8 112.6 118.5 120.2 123.1 125.6 2.0 2.2 2.1 1.7 2.0 1.9 2.1 2.1 2.2 2.1	100.0 87.2 97.8 102.8 108.4 107.1 105.8 104.0 101.1 -3.3 -3.4 -2.2	100.0 104.5 107.8 111.1 115.4 120.8 125.8 130.3 133.7 n.a. n.a.	100.0 101.5 103.0 103.8 105.8 105.5 112.8 115.8	100.0 103.4 104.8 102.2 99.8 102.2 106.5 106.5 107.7 106.5 107.7 107.5 109.0 108.5 109.0 108.5	100.0 108.1 111.0 118.5 124.2 131.8 140.7 153.9 4.1 4.3 4.1 4.2 4.0 4.4 4.4 4.4	100.0 100.0 100.2 103.2 108.6 113.1 117.8 121.7 124.7 3.9 4.3 3.9	100.0 164.8 1118.4 125.6 134.7 165.9 161.2 3.1 4.1 4.1 4.1 4.1 4.1	100.0 102.7 105.6 109.7 112.8 131.3 136.8 2.1	100.0 101.3 102.0 103.6 106.5 106.5 101.9 87.3 88.4 85.7 85.7 85.7 86.7 87.9 87.9	100.0 103.4 107.7 113.0 121.8 133.3 141.2 148.4 148.7 1.3 1.5 2.4 1.7 1.2 1.4 1.7	100.0 101.4 104.9 108.7 113.9 127.5 131.5 138.7 4.0 4.3 3.8 3.3 4.0 4.0 4.2 4.3	100.0 107.7 110.2 120.2 137.2 150.4 173.1 180.9 5.0 4.4 3.9	100.0 104.5 107.1 110.0 114.8 128.2 181.8 134.5 134.5 1.2 1.7 -2.6 1.1 0.7	100.0 94.2 94.8 102.3 101.3 102.5 103.5 95.7 95.1 97.1 97.1 98.5 95.7 97.4 97.4
1986 1987 1988 1989 1980 1991 1992 2nd qtr.1993 3rd qtr.1993 4th qtr.1993 4th qtr.1993 July 1983 June July August	100.0 102.5 105.8 112.6 116.5 120.2 123.1 125.6 2.0 2.2 2.1 1.7	100.0 87.2 97.8 102.8 108.4 107.1 105.8 104.0 101.1 -3.3 -3.4 -2.2	100.0 104.5 107.8 111.1 115.4 120.8 130.3 133.7 n.a. n.a. n.a.	100.0 101.5 103.0 103.8 105.3 108.5 113.8 115.8	100.0 103.4 104.8 102.2 99.8 103.5 108.5 108.7 108.5 107.7 107.5 109.8 109.0 108.5 109.0	100.0 108.1 111.0 118.5 124.2 131.8 140.3 147.7 153.9 4.1 4.3 4.1 4.2 4.4 4.4	100.0 100.0 103.2 103.2 103.2 113.1 117.8 121.7 124.0 128.7 3.9 4.1 4.2 4.4 4.2 4.4	100.0 164.8 111.8 1125.6 134.7 147.9 155.9 161.2 3.1 4.1 3.6	100.0 102.7 105.6 109.7 112.3 118.8 131.3 136.8	100.0 101.3 102.0 100.2 103.6 105.5 101.9 87.3 88.4 87.9 85.1 89.7 90.7 90.7 90.7 90.7 90.7 90.7 90.7 9	100.0 103.4 107.7 113.0 121.8 133.3 141.2 148.4 148.7 2.3 1.5 2.4 1.7 1.7 1.8	100.0 101.4 104.9 108.7 113.9 121.0 127.5 136.7 4.0 4.3 3.8 3.3 4.0 4.2 4.3 4.3	100.0 107.7 110.3 126.2 137.2 150.4 173.1 180.9 5.0 4.4 3.9 4.8 5.0 3.8 4.5 3.8	100.0 104.5 107.1 110.0 114.8 123.2 181.8 134.5 134.8 -0.5 1.7 -2.6 1.7	100.0 94.2 94.8 102.3 101.3 102.5 108.5 108.5 97.1 97.1 97.1 97.2 96.7
1986 1957 1968 1980 1990 1991 1992 2nd qtr.1993 3rd qtr.1993 4th qtr.1993 1st qtr.1993 June June July August September October	100.0 102.5 105.9 105.8 112.0 116.5 120.2 123.1 125.6 2.0 2.2 2.1 1.7 2.0 1.9 2.1 2.1 2.2 2.3 2.1 2.7 2.0 2.2 2.1 2.7 2.0 2.2 2.1 2.7 2.0 2.2 2.1 2.7 2.0 2.0 2.0 2.0 2.0 2.0 2.0 2.0 2.0 2.0	100.0 87.2 87.8 102.8 108.4 107.1 105.8 104.0 107.1 -3.3 -3.4 -2.2 n.a. n.a. n.a. n.a.	100.0 104.5 107.8 111.1 115.4 125.8 130.3 133.7 n.e. n.e. n.e.	100.0 101.5 103.0 103.0 103.8 105.3 109.5 112.8 115.8	100.0 103.4 104.8 102.2 99.8 103.8 103.5 106.7 106.5 107.7 107.5 109.8 109.0 106.5 107.4 107.4 107.5	100.0 106.1 111.0 118.5 124.2 131.8 140.3 147.7 153.9 4.1 4.3 4.1 4.2 4.0 4.4 4.4 4.4 4.2 4.3 4.2 4.3	100.0 100.0 103.2 108.6 108.6 121.7 124.0 128.7 3.9 4.3 3.9 4.1 4.2 4.4 4.1 3.9	100.0 104.8 111.8 118.4 125.6 134.7 147.9 155.9 161.2 3.1 4.1 3.6 4.1 4.1 4.1 4.1	100.0 102.7 105.6 109.7 112.3 118.8 131.3 136.8 2.1	100.0 101.3 102.0 103.6 106.5 106.5 101.9 87.3 88.4 85.7 85.7 85.7 86.7 87.9 87.9	100.0 103.4 107.7 113.0 121.8 133.3 141.2 148.4 148.7 2.3 1.8 1.5 2.4 1.3 1.2 1.4 1.7 1.8	100.0 101.4 104.9 108.7 113.9 121.5 136.7 4.3 3.8 3.3 4.0 4.0 4.2 4.3 4.3 4.3	100.0 107.7 110.2 120.2 137.2 150.1 162.4 173.1 180.9 5.0 4.4 3.9 4.9 5.0 4.5 3.8 4.5 3.8	100.0 104.5 107.1 1110.0 114.8 128.2 181.8 134.5 134.5 1.2 1.7 -2.6 1.1 0.7 1.0 1.8 2.0 1.9	100.0 94.2 94.8 102.3 101.3 102.5 103.5 95.7 95.3 97.1 97.1 97.1 97.2 96.7 96.7
1986 1987 1988 1989 1980 1981 1992 2nd qir.1993 4th qir.1993 4th qir.1993 4th qir.1993 June June July August September October November December January 1984	100.0 102.5 105.9 105.8 112.0 118.5 120.2 123.1 125.6 2.0 2.2 2.1 1.7 2.0 1.9 2.1 2.2 2.3 2.2 2.3 2.1 1.7	100.0 87.2 97.8 102.8 108.4 107.1 105.8 104.0 101.1 -3.3 -3.4 -2.2 n.a. n.a. n.a. n.a.	100.0 104.5 107.8 111.1 115.4 120.8 125.8 130.3 133.7 n.a. n.a. n.a.	100.0 101.5 103.0 103.8 105.3 109.5 113.8 115.8	100.0 103.4 104.8 102.2 99.8 103.8 103.5 106.7 106.5 107.7 107.7 109.8 109.0 106.4 107.6 107.6 107.5 107.5 107.5 107.5	100.0 108.1 111.0 118.5 124.2 131.8 140.3 147.7 153.9 4.1 4.3 4.1 4.2 4.4 4.4 4.4 4.2 4.4 4.3 4.4 4.4 4.4 4.4 4.4 4.3 4.4 4.4	100.0 100.0 103.2 103.2 103.2 103.2 113.1 117.8 121.7 124.0 128.7 3.9 4.1 4.4 4.4 4.4 4.1 3.9 3.7 3.5	100.0 104.8 1118.4 118.4 125.8 134.7 155.9 155.9 155.9 2.8 4.1 4.1 4.1 4.1 4.2 3.9	100.0 102.7 105.6 109.7 112.3 118.8 131.3 136.8 2.6 2.1	100.0 101.3 102.0 100.2 103.6 105.5 101.9 87.9 85.1 88.4 87.9 85.1 88.7 86.1 86.7 87.2 86.8 85.8 85.8	100.0 103.4 107.7 113.0 121.8 133.3 141.2 148.4 148.7 2.3 1.5 2.4 1.7 1.7 1.8	100.0 101.4 104.9 108.7 121.0 127.5 131.5 138.7 4.0 4.3 3.8 3.3 4.0 4.2 4.3 4.3 4.0 3.6 4.0	100.0 107.7 1126.2 137.2 150.4 162.4 173.1 180.9 5.0 4.4 3.9 4.9 4.9 4.5 3.8 4.9	100.0 104.5 107.1 114.8 1281.8 134.5 134.8 -0.5 1.7 -2.6 1.1 0.7 1.8 2.0 1.8	100.0 94.2 94.6 102.3 101.3 102.5 103.5 95.7 95.3 97.1 97.1 98.5 96.7 96.2 96.7 96.2 87.9
1986 1987 1988 1989 1990 1991 1992 2nd qtr.1993 3rd qtr.1993 4th qtr.1993 4th qtr.1993 4th qtr.1993 June June June June June June June June	100.0 102.5 105.8 112.6 116.5 120.2 123.1 125.6 2.0 2.1 1.7 2.0 1.9 2.1 1.2 2.2 2.3 2.2 2.3 2.2 2.3 2.1 1.8	100.0 87.2 97.8 102.8 108.4 107.1 105.8 104.0 101.1 ~3.3 ~2.2 n.e. n.e. n.e. n.e. n.e.	100.0 104.5 107.8 111.1 115.4 120.8 130.3 133.7 n.a. n.a. n.a. n.a. 2.6	100.0 100.5 103.0 103.8 105.3 109.5 113.8 115.8	100.0 103.4 104.8 102.2 99.8 103.8 103.5 106.7 106.5 107.7 107.5 109.8 109.0 108.5 107.4 107.4 107.5 107.5	100.0 108.1 111.0 118.5 124.2 131.8 147.7 153.9 4.1 4.3 4.1 4.2 4.4 4.4 4.4 4.4 4.2 4.3 4.2 4.3 4.2 4.3	100.0 100.0 103.2 108.6 108.6 121.7 124.0 128.7 3.9 4.3 3.9 4.1 4.2 4.4 4.1 3.9	100.0 164.8 111.8 112.6 113.4 125.6 155.9 161.2 3.1 4.1 3.8 4.1 4.1 4.2 3.9 3.6	2.6 2.6 2.6 2.6 2.6 2.1 2.8 2.1 2.8 2.1 2.8 2.1 2.8 2.1	100.0 101.3 102.0 103.6 105.5 101.9 87.9 85.7 85.7 85.7 87.2 88.8 85.8 85.8 85.8	100.0 103.4 107.7 113.0 121.8 133.3 141.2 148.4 148.7 2.3 1.5 2.4 1.7 1.7 1.8 1.4 1.7	100.0 101.4 104.9 108.7 113.9 121.0 127.5 136.7 4.0 4.3 4.3 4.0 4.2 4.3 4.3 4.3 4.3 4.3 4.3 4.3 4.3 4.3 4.3	100.0 107.7 110.2 137.2 137.2 150.1 162.4 173.1 180.9 5.0 4.4 3.8 4.9 5.0 3.8 4.5 3.8 4.9 4.0 4.0 4.8	100.0 104.5 107.1 110.0 114.8 123.2 181.8 134.5 1.2 1.7 -2.6 1.1 0.7 1.0 1.8 2.0 2.0 1.8 1.1 2.1 2.1	100.0 94.2 94.8 102.3 101.3 102.5 108.5 108.5 95.7 95.3 97.1 97.1 97.1 97.2 96.7 96.7 96.7 99.8
1986 1967 1968 1989 1989 1980 1982 2nd qir.1983 3rd qir.1983 4th qir.1983 4th qir.1983 June May 1983 June August September October November Docember January 1984	100.0 102.5 105.9 105.8 112.0 118.5 120.2 123.1 125.6 2.0 2.2 2.1 1.7 2.0 1.9 2.1 2.2 2.3 2.2 2.3 2.1 1.7	100.0 87.2 97.8 102.8 108.4 107.1 105.8 104.0 101.1 -3.3 -3.4 -2.2 n.a. n.a. n.a. n.a.	100.0 104.5 107.8 111.1 115.4 120.8 125.8 130.3 133.7 n.a. n.a. n.a.	100.0 101.5 103.0 103.8 105.3 109.5 113.8 115.8	100.0 103.4 104.8 102.2 99.8 103.8 103.5 106.7 106.5 107.7 107.7 109.8 109.0 106.4 107.6 107.6 107.5 107.5 107.5 107.5	100.0 108.1 111.0 118.5 124.2 131.8 140.3 147.7 153.9 4.1 4.3 4.1 4.2 4.4 4.4 4.4 4.2 4.4 4.3 4.4 4.4 4.4 4.4 4.4 4.3 4.4 4.4	100.0 100.0 103.2 103.2 103.2 103.2 113.1 117.8 121.7 124.0 128.7 3.9 4.1 4.4 4.4 4.4 4.1 3.9 3.7 3.5	100.0 164.8 111.8 112.6 113.4 125.6 155.9 161.2 3.1 4.1 3.8 4.1 4.1 4.2 3.9 3.6	100.0 102.7 105.6 109.7 118.8 131.3 136.8 2.1	100.0 101.3 102.0 100.2 103.6 105.5 101.9 87.9 85.1 88.4 87.9 85.1 88.7 86.1 86.7 87.2 86.8 85.8 85.8	103.4 107.7 113.0 121.8 133.3 141.2 148.4 148.7 2.3 1.8 1.5 2.4 1.2 1.4 1.7 1.8 1.7 1.8	100.0 101.4 104.9 108.7 121.0 127.5 131.5 138.7 4.0 4.3 3.8 3.3 4.0 4.2 4.3 4.3 4.0 3.6 4.0	100.0 107.7 1126.2 137.2 150.4 162.4 173.1 180.9 5.0 4.4 3.9 4.9 4.9 4.5 3.8 4.9	100.0 104.5 107.1 114.8 1281.8 134.5 134.8 -0.5 1.7 -2.6 1.1 0.7 1.8 2.0 1.8	100.0 94.2 94.6 102.3 101.3 102.5 103.5 95.7 95.3 97.1 97.1 98.5 96.7 96.2 96.7 96.2 87.9

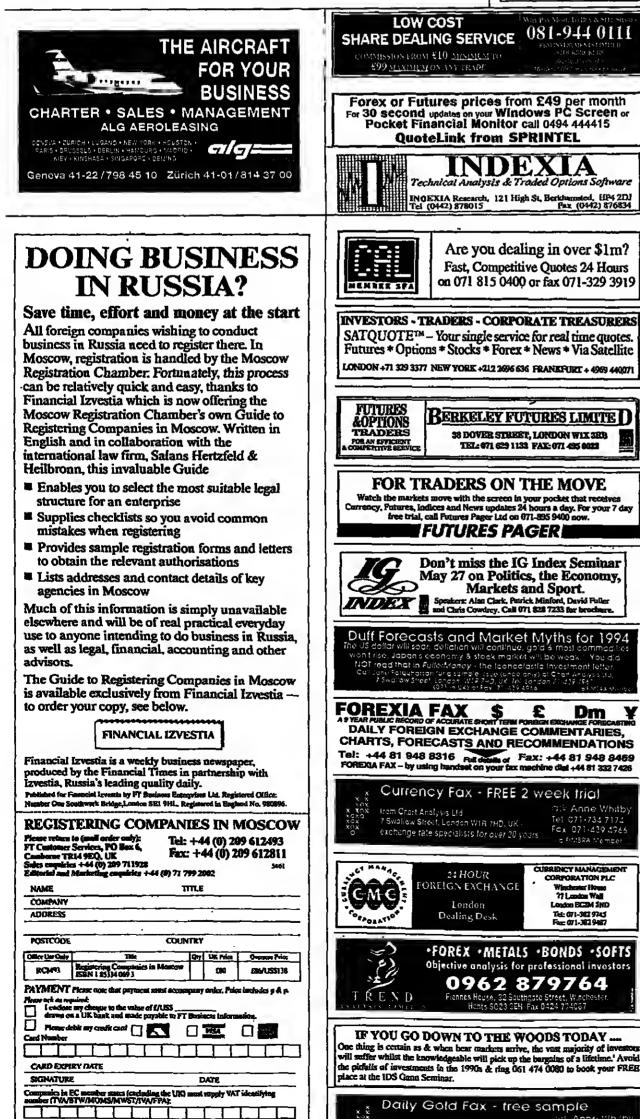
Statistics for Germany apply only to western Germany. Data supplied by Datastream and WEFA from national government and IMF sources, and by UP Morgan, New York Comprises; not seasonally adjusted, Producer prices; not seasonally adjusted, using a manufactured products, France — Internationally adjusted, refers to earnings in manufacturing except France — Internationally inclusive, Including and Its (weekly). Unit labour costs: seasonally adjusted, refers to earnings in manufacturing except France and Italy lange or countries — manufacturing industry. Heal earthquage rate; IP Morgan real effective exchange rate lands: versus 12 inclusival countries, adjusted for change in manufacturing.

International Taxation on Friday, May 20.

The survey will review the taxation system worldwide and examine the challenges it will face in 1994 and the implications tional business community. The survey will reach an estimated international readership of 1 million.

> For an editorial synopsic and information on advertising opportunities please contact MELANIE MELES on Tel: 071 873 4874 Fax: 071 873 3064

FT Surveys



The state of the s

OECO Caport Credit

The Ornaniaation for the

ent rates in the makers at rates in the control of the control of

13 Adm 4

COMP. N

A STATE OF THE STATE OF

Legality of an obligation to buy



An exclusive purchasing obliga-tion, forcing local electricity distrib-utors to purchase all their electricity EUROPEAN from a regional

COURT company, country lawful provided such a restriction was necessary to allow the regional company to fulfil its public service obligations, the European Court of Justice

ruled recently.

Local electricity distributors in the Netherlands brought a case against their regional electricity company. Under Dutch law, elec-tricity is distributed by regional companies to local distributors, which in turn ensure the supply of electricity to individual clients in their areas. However, certain endusers, notably thosa in rural areas, are directly supplied by the regional companies. Regional distributors have a non-exclusive statutory right to distribute elec-

tricity in their region.

Between 1985 and 1988, the regional distributor concerned prohibited tha local distributors from purchasing electricity from any other source. There was a corresponding obligation on the regional company to sell electricity only to the local distributor companies. These companies, in turn, imposed an obligation on tha final consumer to purchase electricity only from them. The regional companies also had to purchase their electricity from the

national generators. From January 1 . 1985, the regional company imposed a surcharge on the local companies in order to compensate for the difference between the higher cost of distributing electricity direct to rural consumers and the lower costs of distributing electricity to the local companies for use by urban consumers.

The local companies made a complaint to the European Commission. The Commission ruled that the restriction imposed by the national generators on the regional distributors was unlawful under the Rome treaty. It also held that the restrictions on the end-users breached competition rules and could not be justified under Rome treaty rules on public service undertakings. The restrictious between the regional and local companies were not explic-

exclusive fily dealt with by the Commission However, before complaining to the Commission, tha local companies had started arbitration proceedings to decide the legality of the surcharge imposed by the regional companies. A tribunal found that the surcharge was lawful. The local companies appealed

to a national court which sought a preliminary ruling from the ECJ on, among other things, whether a prohibition on the importation of electricity such as existed in the present case was contrary to Rome treaty rules covering state monopolies and competition. The ECJ first held that Euro-

pean state monopolies rules were not relevant to the present case, as the regional distribution company did not have an exclusive right to distribute electricity in the relevant territory.
The ECJ then found that the

import prohibition restricted competition and affected trade between member states, as it partitioned the Dutch market from other European Union markets. But the ECJ left it to the

national court to determine whether a collective dominant position actually existed between all the regional companies in the Netherlands. The ECJ said if it did, the tying-in of electricity pur-chasers in the way described would constitute an abuse of thet dominant position. The ECJ finally examined the

Rome treaty provisions on public service undertakings which provide that restrictions on competition imposed by such companies are lawful to the extent which they are necessary for the perfor-mance of the relevant services of general economic interest carried out by those companies.

The ECJ said it was for the national court to detarmine whether the import restriction was necessary for the regional company to distribute electricity in its territory. It stated that, in determining this question, the national court should take into account the costs borne by tha company, in particular regula-tory costs relating to the envi-

C-393/92: Commune d'Almelo ea v NV Energiebedrijf Ijsselmij, ECJ FC, April 27 1994.

> BRICK COURT CHAMBERS, BRUSSKLS

he Norton Rose/M5 group of English law firms recently surprised the legal services market by deciding not to merge its operations into a single national partnership. The trend in recent years has

been to extol the merits of national law firms, such as Eversheds and Leeds-hased Dihh Lupton Broomhead, which say their geographic spread and structure make them more flexible to client demands. But a review carried out by the Norton Rose/M5 group revealed no "busi-ness case" for merging its seven

According to Mr Peter Smith, the the individual firms could see no significant advantage in their lawyers becoming a national partner-ship with offices in the main commercial centres of England and Wales. What mattered to them was the continuation of the relationship they had built up with a law firm or individuals within it.

The question is whether this finding was specific to the Norton Rose! M5 group, or whether it is the typi-cal reaction of business clients.

Mr Barry O'Meara, deputy group solicitor for ICI, the UK chemicals group, says that whether a firm has a national network of offices is not a factor in choosing outside lawyers. Two years ago ICI "outsourced", or contracted out, its litigation and conveyancing work. For the litigation side, it needed a firm well represented in the north of the country - which is ICI's heartland and in London, Mr O'Meara says. It chose Hammond Suddards of Leeds.

For conveyancing, the company's view was that, while most of the work was in the north, it could be done from anywhere. It chose City solicitor Field Fisher Waterhouse.

The rest of the group's company and commercial work is handled by the in-house team. Only for specific jobs, such as the Zeneca demerger, would it instruct outside lawyers. In such cases, its policy is to instruct tha best firm for the job. For the damerger, ICI used Linklaters &

Similarly, Ms Gillian Budd, group senior legal adviser at Cadhury Schweppes, the food and drinks group, can see no significant advantage in a law firm having a national network. Her company would not choose a law firm just because it had one. The different divisions within Cadhury Schweppes tend to use lawyers they know at a local

adviser at 3i, the UK's largest venture capital company, says he believes some national law firms "overestimate the importance to clients of their networks".

Mr John Elliott, a senior legal

Borderline cases

Robert Rice on the pros and cons of becoming a national law firm



Cairns: the same law firm worked for his company in Scotland and England

Peter Bevan, British Petroleum's group general counsel, but it is not usually decisive. On rare occasions, BP has used a firm because of its spread of offices, but in general the company's worldwide policy is to choose firms for specific jobs.

According to Mr Julian Collins, solicitor to the British Coal Pension Funds and chairman of the Law Society'a commerce and industry group, there is no significant demand from commerce and industry for the legal profession to follow the accountancy model and set up national networks.

Such comments suggest the Norton Rose/M5 decision not to merge its firms was a sound one. While its group relationship allows the individual firms to co-operate in training recruitment, exchange of information and in marketing at an international level, there seems to be no demand for a single partner-

However, there may be demand for firms that offer high-quality services on both sides of the Scotland/ England border. By failing to include Scotland in their networks, Nevertheless, it can be a factor the existing English national when choosing a firm, says Mr firms may have missed a trick. the existing English national law

Scotland is a distinct jurisdiction. Although most company and commercial law is the same as in England, differences in litigation, property and bankruptcy laws may have dissuaded a number of English firms from focusing on the Scottish legal market.

Scottish firms have not been slow to recognise the potential demand for services in both jurisdictions, but few are big enough to do so, or prepared to risk losing referral work from English firms by competing south of the border.

cGrigor Donald of Glasgow may be the exception. A number of Scotland's leading commercial firms do have offices in London, but in the last five years McGrigors has built its City office into a full-service operation. This arguably makes it the only true fullservice national law firm in the UK. According to Mr Robert Glennie, the partner in charge of the London office, its strategy of building a fullservice operation in London is beginning to pay dividends. He cites the firm's role in helping to turn round Scottish Metropolitan Property, Scotland's higgest property investment company, as an example of work which could not have been done by any other law firm in the

UK acting on its own. Two and a half years ago, Scot-Met was on the brink of collapse, having reported an unexpected pretax loss of £8.37m, including a writedown of 19.4m on a site in Bournemouth. Dorset, and incurred a 52.2m cost on renegotiating banking

The loss followed a badly timed increase in the company's property development activity, particularly in the south of England. At the beginning of 1992, Mr Gordoo Milne. the company's long-serving managing director, stepped down and was replaced by Mr Scott Cairns.

Mr Cairns announced a strategy of returning the company to its core activity of property investment, and set about reducing ScotMet's bor-rowings, which stood at £201m in September 1991 - a gearing ratio of

140 per cent.

After renegotiating the company's banking facilities and executing a cootrolled programme of property disposals, ScotMet has achieved pretax profits of £7.1m in the six

months to February. Company borrowings, which had already been reduced to £144.9m by August last year, bad fallen to £67.9m. This was thanks largely to the sale last October of Saltire Court, a prestige office development in the centre of Edinburgh, for £53.1m - a £6.5m surplus on book

In November, the company entered into what Mr Cairns called a "voluntary refinancing" with a ooe-for-three rights issue to raise approximately £26.8m. It is now back on the acquisitions trail. In March, it announced the purchase of McNeils, a private company with a portfolio of retail investment properties in Berwick-upon-Tweed,

Thanks to its London office, McGrigors was able to provide a complete service for ScotMet, says Mr Glennie. Five years ago, any work in England and Wales for ScotMet was handled by Linklaters & Paines.

This ability to provide overall legal services within the UK has proved attractive to retail companies. McGrigors now handles all the UK employment and litigation for Gap, the US clothes retailer; it acts for the Sock Shop chain; and has picked up all UK banking and property work for Seagrams, the drinks

While there may be no "business case" for national law firms in England and Wales alone, firms might be wise not to ignore the opportunities that the provision of legal services throughout the UK

LEGAL BRIEFS



Supreme Court to review high punitive awards

he US Supreme Court has accepted another products liability case for review. giving it a further opportunity to set constitutional limits to excessive punitive damages awards. US products liability lawyers were disappointed last year when in the TXO case the justices upbeld the constitutional basis of o punttive damages award 526 times the amount of the compensatioo awarded.

Since the TXO case, state courts have bad to rely oo other grounds for curbing excessive punitive awards which, in most products liabllity and tort cases, are still exceeding compensatory damages

by multiples of 10 or more. In March, however, the Supreme Court accepted for review the Oberg case from the Oregoo Supreme Court, concerning a products liability award against the maker of an all-terrain vehicle. The jury awarded the plaintiff \$900,000 in compensatory damages and \$5m in punitive damages. The Oregon constitutioo, in preserving the right to trial by jury, appears to prevent any court from interfering with jury verdicts. The defendants, Honda Motor Co, argue this, in effect, prevents any court from reviewing a jury damages award and therefore violates federal dne process. Lawyers hope the Supreme Court will use the case to set ont constitutional limits to punitive damages awards.

All signed up

oreign companies can execute documents in the UK without the need to apply a common seal, following the introduction by the UK government of new regulations under the 1989 Companies Act. This will mean anyone eligible to sign documents under the foreign company's own domestic law will also be eligible to sign them under British law.



It is people's imagination that makes the world go forward.

The creations of Leonardo do Vinci reveal that every leap in progress begins with a leap of the imaginotion.

By applying imaginative, toilor-made solutions to communications, energy and transport, we anticipate evolving needs in each of these fundamental areas. Together with our customers in over 110 countries, we're inventing a future in

which people ore more mobile, shore information increasingly, rely on cleaner and less expensive energy, and travel at ever-faster speed. Each year, we invest 10 % of our sales in research and development. Through common research programs in areas such as software development, opto- and micro-electronics, superconductivity and materials, our 20,000 experts bring advances to,

and create synergies across our three core

By taking imaginative solutions off the drawing board and applying them to communications, energy and transport, we're helping customers around the world to reach new heights of progress. To progress through communications, energy and transport



Alcatel Alsthom, 54, rue La Boétie 75008 Paris, France

Some are capital-intensive and have yet to attract investment, others are a reality.

source of lucrative civilian pro-

One is the bizarre experience of weightlessness training, originally designed for astronauts and now made available to anyone who can pay. "Military pilots - you must always remain in a state of combatreadiness," reads the faded bill-board at an airfield outside Moscow as a busload of Japanese travel agents and US journalists arrives for a gravity-suspending flight.

"Walcome on board this Ilyushin-76," says Victor Rein, chief of the Russian Space Agency's micro-gravity unit, as his 15 foreign passengers clamber on to a transport plane specially equipped for simulating weightlessness. They are about to sample a 90-minute out-of-mind experience on offer to any potential "space-tourist" with \$4,000 (£2,740) to burn.

With an individual trainer to instruct and watch over each "tourist", the seatless aircraft, complete with padding for a soft-landing after each burst of zero-gravity, simulates weight-lessness by performing undulating flight manneuvres in the shape of a parabola.

snape of a parabola.

It is the movement of passengers relative to that of the aircraft at the "apogee" of the parabola which creates the feeling of free floating. Some 14 parabolas are flown, generating as many weightlessness sessions, each lasting 30 seconds, during which passengers can pretend to fly like Superman, or simply hang to the handrails while the rest of their body goes up in the air.

While Nasa and the European Space Agency have only

Sa

AI

ימק

Mc

Re

car

Fir Mc Re En int

He

Mι cis

ust as

ad Th

Fin pro Izvi

Pobl Nesso

Plea FT (Cam Sale Edit

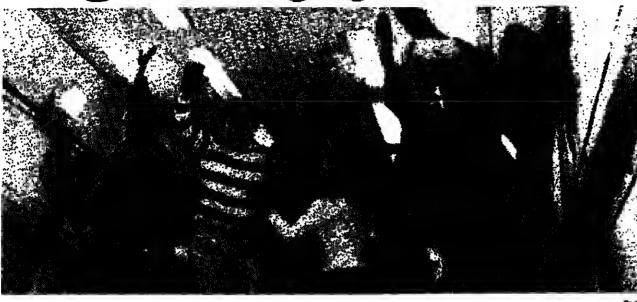
CC AI

Ē

OF PART OF STREET

Leyla Boulton examines Russia's attempts to convert space and defence projects into civilian money-spinners

Weightless, but gaining ground



Superman for 90 minutes: "Space-tourists" with \$4,000 to burn get to grips with the joys of weightlessness in a converted Russian transport aircraft

one such aircraft each, the Russians bave three but a dwindling number of astronauts to train in them. A cut in the once-lavish state subsidies means the agency is eager to use the space programme's excess hardware to generate extra revennes as well as advertise Russian technological prowess.

In an attempt to reach a wide audience, the agency is markating tha weightlessness flights in the west through a Florida-based company called

MIGs Etc, which already has a track record offering tourists the chance to fly over Moscow on MIG-29 fighter planes.

The same financial crunch has hit the Russian defence industry which for decades produced masses of weaponry for the state without regard for its cost.

But after more than five years of talking about the need to convert excess defence capacity to civilian output, industry has experienced mixed successes in its efforts to carry out so-called conver-

The main obstacles have been not so much the cost of such projects but Russian authorities' inability to create a welcoming investment climate and managers' dearth of marketing skills, Many managers have trouble both selling existing output and putting together attractive investment opportunities for would-be investors.

"Our people have golden hands," an official from the defence-dominated Urals industrial region told western bankers last month in what was meant to be a serious pitch for western investment. "They can make everything except money."

in a self-interested attempt to help, a group of Russian entrepreneurs and bankers recently put together a consortium called the Russian Aerospace Corporation. Konstantin Borovoi, one of the organisers, says the aim is to match Russian investment resources with promising opportunities in the defence and space industries. In a renewed attempt to attract western capital to previously top-secret reaches of Russian industry. Russia is presenting 14 investment projects at the Central and East European Technology and investment Exhibition at Earl's Court in London this

week.
Yuri Tichkov, the deputy atomic energy minister in charge of helping part of the Russian nuclear weapons industry switch to peaceful purposes, will be heading the delegation. "We are trying openly to describe directions of conversiya in this sensitive

area." he says.

He believes that the projects, five of which are based in "closed cities" where nuclear weapons are made, are attractive because of the high-quality workforce and technology available at the plants in ques-

tion.

The government is offering foreign investors a 50 per cent stake in joint ventures which it sees as important for creating jobs and restructuring industry to the needs of consumers. Using the big numbers of which Russian officials and old-style factory managers are fond, he says one project requires \$100m to set up manufacturing facilities for fibre-optic cable on equipment designed at the closed city of Chelvabinsk-70.

Other projects are aimed at producing special materials such as pure aluminium, silicon and gallium arsenide for the electronics industry. At a plant in Tomsk-7, a closed city which was the site of a small nuclear accident last year, the aim is to make high-energy magnets instead of weaponsgrade plutonium.

grade putnotum.

Also on display in London is "Project Potato" - a pilot project launched with a US food processing company called Concord - to produce machinery to save Russia's potato harvest from going to waste by converting surplus potatoes into instant mashed-potato granules.

A first example of successful conversion in a closed city is Krasnovarsk-45, which last year set up production facilities to make 30m video-cassettes and 25m audio-cassettes with some help from the Russian government and from BASF, the big German chemical group.

cal group.

But recognising that Russian officials and managers had so far done a poor job in attracting investors - "we are still lousy as market operators" - Tichkov hopes that the Russian government will make the projects irresistible by attaching special tax breaks to them in a few months' time.

Acknowledging that many western companies were not interested in projects in which they could not have the controlling interest, be also said the government would let for eigners have control if they effected "mailto could have."

offered "really good terms".

He shied at the question of why Russian investors had not already flocked to take advantage of the projects, saying their "mentality was geared towards short-term profits".

Tapping in to third world telecoms

The market is waiting to be exploited, says John Barham

is becoming a holy grail for the global telecommunications industry. The potential of untapped markets in the poor but populous countries of the third world is enormous.

India alone has unsatisfied demand of at least 10m lines. Some countries such as Nepal or Burkina Faso have bought state-of-the art fibre and digital systems that rival those in the US and Europe. Economic liberalisation is sweeping the developing world, tearing down the regulations and trade harriers that once kept

world, tearing down the regulations and trade harriers that once kept multinationals out. In many countries the cost of inefficiency and corruption is becoming too heavy to bear, and governments cannot afford to upgrade networks alone.

New lines installed by state companies in Africa, for example, cost \$6,200 (£4,360) on average, according to the International Telecommunications Union. In Latin America, the figure is \$2,900, although

In Latin America, the figure is \$2,900, although privatisation has lowered this figure in some countries. But a multinational can install a new line for less than \$1,000.

Ministers take

liberalisation seriously because the link between telecommunications and development has become incontrovertible; the better a country's telecommunications

network, the wealthier it is likely to be. This single theme dominated a recent Buenos Aires conference organised by the ITU and sponsored by the United Nations.

It was the ITU's first conference aimed at the needs of the developing world. Seminars drove home the lesson to industry executives and ministry officials that private-sector participation and liberalisation are the only way poor countries can modernise and expand telecommunications.

This is easter said than done. Edward Salia, Ghana's transport and communication minister, agrees the era of state-controlled telecommunications is over,

but says:
"Telecommunications are
national assets. Are we going
to allow unrestricted entry?"
Previous warnings by the
ITU that the developing

world was being left behind in the telecoms revolution had no effect. Between 1983 and 1992, telephone lines per head in the industrialised world rose by 10 per cent. But the rise in the rest of the world was only 1.4 per cent. The ITU says global telecommunications service and equipment sales last year rose by 8 per cent to \$5350n, but three-quarters of this was spent in the

developed world.

While heavy investment in telecoms will not alone spur economic growth, privatisation and liberalisation have had positive results. Latin America is in the forefront of telecommunications privatisation. Argentina, Chile, Mexico, Peru and Venezuela have all privatised their networks.

their networks.
Only Brazil seems to have
no time for liberalisation.
Brigadier Adyr da Silva,
president of the Telebras
state telecommunications
company, says: "Brazil, in
terms of plant, investment
and technology, is in the first
world. If
[telecommunications] are

[telecommunications] are such a good deal for us, why should we give it to the Americans? There is an immense campaign going on. Everyone is trying to force their way into [foreign] markets. Those who are in are fighting to keep the others out."

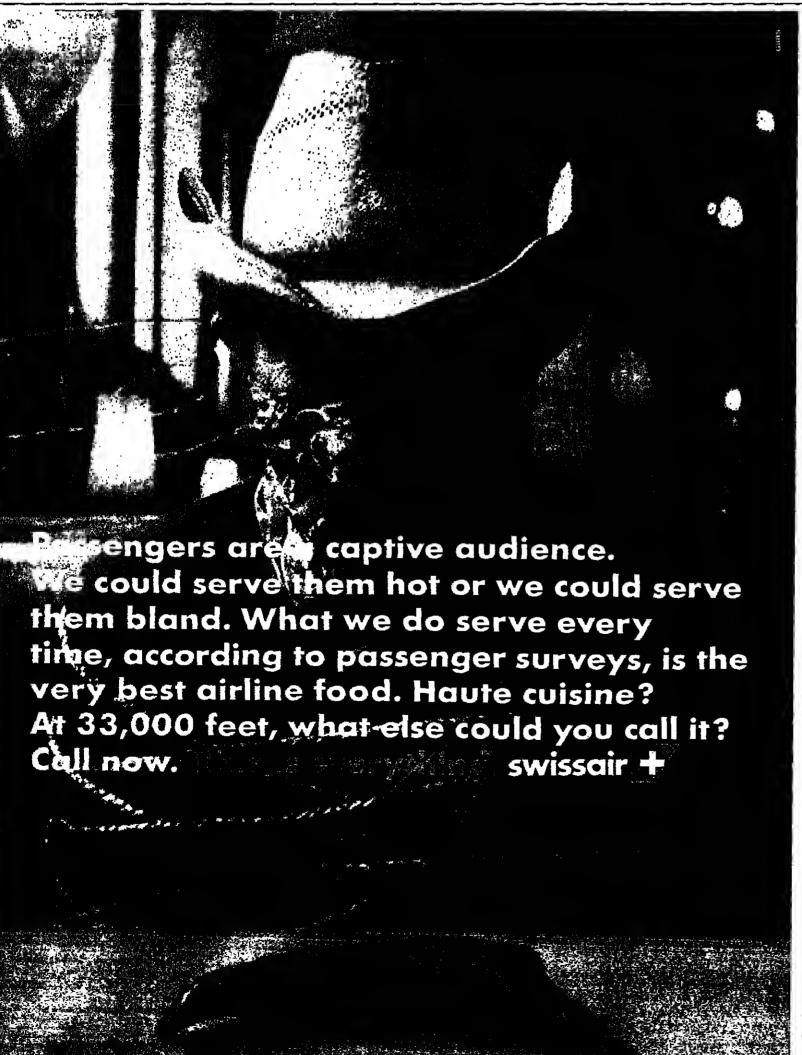
The introduction of technologies such as callular telephony, digital systems and data networks passed the poorest countries by in the 1980s. But the future of some new technologies could depend on demand in third world markets.

Inmarsat, the international communications satellite organisation, already has briefcase telephone systems that can provide low-cost satellite phone services for every village in a poor country. It says the future of mobile satellite communications will depend to a large extent on take-up

in poor countries.
In March, it successfully tested a cellphone-sized bandset that transmitted a taped Wilbur Smith novel to one of its

satellites.
However, it admits this
system is at least four years
from becoming commercially
operational and will require
a new generation of
satellites. US companies such
as Motorola, AT&T and
Microsoft plan to introduce

similar technologies.



INTERESTED IN THE DANISH FINANCIAL MARKET?

ACT TU

CONTACT THE BANK THAT MAKES IT!

....

SiroBank's very strong market position in Denmark, combined with a wide Internationa Detwork, makes us your ideal partner in the Danish money market.

iroBank is also a market-maker in most Denisi roducts, Incl. equities, bonds and foreign achange. We are both a market-maker and a narket-leader in Danish Bond Repos offering ontinuous price quotation.

rocank was established in 1991 when the Dyear-old Postgiro was converted into a bank

ne Danish government still owns 49% of

GiroBank is listed on the Copenhagen Stock Exchange and holds position as the fourth lansest bank in Denmark.



GiroBank A/S Girostroeget 1 DK - 0800 Copenhagen Telephone +45 43 58 20 61 Swift: GICODKKK Reuterdealing: GIRO, Indexpage: GIDA transfer at we have

The committee of to be here out water

Literation de minger where the second passed the fire of the street by a after the consistent fatand states of and tringes over de paramental an inches that March 2014 Charles Committee and the state of the A Server of the layer of the PART. Commercial Continues of the Europe the state of the s rang transportation of takes to prove a term. dialogo and social 170 Carlotte | 100 Carlotte | the control of the posted at

taged to our squad and - Alex 3 1 1,000,000,000 Acres 1 2 - 100 to 100 to 25 Carrenau . September 1997 Street September 1997 and the second section many the second ere (22)

RKET

Committed to reality rather than concepts

ive Protagonists is a some-what portentous title for what is, in the event, a long-overdue and salutary exercise in critical rehabilitation. Indeed, modest in scale though not in scope, it offers a gen-tle and timely rehuke to our curatorial masters for their enduring neglect of so many of our most dis-tinguished artists, for no greater s crime than their failure to toe the

official avant-garde line.

Here is a show by its very nature more appropriate to e public institution than e private commercial gallery: and here are painters at least as serious in their address and rewarding in their accomplishment as any post-modern, neo-dada, carcass-celebrating conceptualist, still wet behind the ears. And would Euan Uglow ever be offered the British Pavilion at e Venice Biennale ahead of, shall we say, an Antony Gormley, or Patrick George be given a first retrospective at the Tate in place of Richard Hamilton's third, or Myles Murphy be asked to choose a show at the Serpentine instead of Damien Hirst? No comment.

But Protagonist? Here perhaps lies the problem. The Shorter Oxford Dictionary gives protagonist first as "the chief personage in a drama; the principal character . . . etc": tts sec-ond, and more indefinite, meaning as "e leading personage in any con-test; a champion of any cause." And here we have these five painters, all of whom were taught one way or another by William Coldstream -Patrick George and Anthony Eyton at Camberwell just after the war, Euan Uglow, Myles Murpby and Craigie Aitchison at the Slade in the early 1950s. All were friends, united by shared houses and common interests. Above all they maintained

then, and retain now, their commitment, drawn from Coldstream, to the direct response to the visible world.

Since then they have gone their several ways; Aitchison withdrawing into a private and Idiosyncratic symbolism; Eyton moving towards a more directly gestural and expres-sive response; George developing a delicately measured impressionism; Murphy reconciling the monumental and descriptiva to the painted flatness of the canvas; and Uglow ever measuring and looking, and measuring, looking again with pre-ternatural precision. It is one of the delights of the show that we may

William Packer reviews five fine artists who have shunned the conceits of the avant-garde

follow such individual development hy the examples shown, early, mid-

But where is the drama of which even one of them should be chief personage, where the contest, where the common cause to champion? The short answer is that there never was one, and each artist was only ever the chief actor in his own play. Would their story have been different had they made common cause, issued manifestos, proselytised and campaigned - in short persuaded the powers that be they were a force to reckon with and take seriously? The Young post-art-school Turks of today hardly need the telling. The uncon-scious irony of Five Protagonists is

were never protagonists at all that they suffer their present compara-tive neglect. Successful they may be in the private and local market, but on the scale of international critical values they scarcely register at all. Better after all to heve been hung together than to hang alone.

And yet an artist such as Euan

Uglow remains what he has manifestly been these 20 years, and always was in prospect, one of the best and most interesting artists of his time. His paintings take on the ambition not of current notoriety or fad, but rather of the great humanist tradition in western art of which he and his kind represent the enduring vigour. His work is important and, forgive the jargon, relevant to us now, not because it proposes some trivial conceit or intellectual by-play, not because it is about fashion-able ideas of process or identity, not because it is about anything, but only because it is what it is, as it is achieved on the canvas. Here is the human figure, scrutinised long and hard in its physical reality, for us to contemplate in our turn, in the light

What may be said of Uglow may said as well for George, Murphy and the rest of them - and they are not alone. In the generation at least of artists now over 50, who had the luck to train before the study of the figure was abandoned for the study of ideas and concepts, there are any number of truly serious, figurative, modern painters, more and of a higher quality perbaps than anywhere else in the world. The only scandal is that we do not celebrate them as we should.

of our own experience of the world.

Five Protagonists: Browse & Darby, 19 Cork Street W1, until May 21.



Theatre/Alastair Macaulay

Business abounds in 'The Rivals'

energetic, and strongly-cast production of Sheridan's 1775 classic, The Rivals. It has been too long since England had a major account of this play - few of us have seen it since Peter Wood's Illustrious 1983 Netional tre ataging (with Geraldine McEwan, Michael Hordern, Flona Shaw, Edward Petherbridge, Tim Curry) - and everything about it delights tha Chichester audience. So much so that I hardly like to add that this production is over-busy and, in several respects,

Mrs Malaprop, the play's most celebrated character, is affected, eo Patricia Routledge plays ber as an 18th-century version of her own famous TV role, Hyacinth Bucket. But the main joke about Mrs Malaprop is that she is intellectually affected. Yes, she muddles her words, but both the words sbe means and those she says reveal that she is trying to be clever.

Routledge, though she brings the role an appealing energy, plays it as a silly old harridan. An undisciplined performance, marked by exeggerated facial reactions and an excessive range of vocal effects. And disappointing: Routledge has often been a most stylish

What a relief to turn from her to Timothy West, who plays the explosive Sir Anthony Absolute with perfect economy. Self-contradiction is the keynote of The Rivals's main characters; and it is West who catches this best, furiously attacking his calm son for displaying fury, stonily nosing out his son Jack'e tricks

hichester has launched its and stratagems. When Jack's efforts to season with a robust, woo Lydia Languish as two different suitors are being uncovered, it is West's way of barking out (stock still) "Who the devil are you?" to his son that provides the evening's great comic

Abigail Cruttenden brings to the just the right hothouse over-cultivation. She has porcelain prettiness, an absurd (school of Sara Crowe) laugh, and all the necessary spoilt charm, so that you laugh at her without taking against her. Emlly Raymond. bowever, as her cousin Julia, the play's most rational and touching role, is a lovely hore who loses one's attention during her every extended speech. Adam Goldley is a lightweight, puppyish Faulkland; the role's ludicrous Romantic agony has little force. As Jack, James Simmons has mischief and virility nicely compounded.

The director is Richard Cottrell, who paces everything with a welcome briskness. But he has allowed, or encouraged, several actors to overdo things. Characters keep pacing four yards away from each other amid intimate conversations for no good psychological reason. Lucy (Caroline Holdawsy) nods her head rapidly whenever she is listening. The music, by Mark Warman, is not only cheaply scored, but is introduced, distractingly, to underline certain big speeches, as if in a movie. Business, in the most literal sense, abounds.

In repertory at the Chichester Festival Theatre, until June 23

Fringe theatre/David Murray

Darwin's Flood

noo Wilson's comedies - farfetched, acatty-intellectual, black and often scabrous - can hardly be an "acquired taste" for one cannot imagine anybody acquiring it. Either you find that you already had it, very possibly to your surprise and embarrassment; or you sit there stony-faced; or you veer queasily this way and that. The press-night audience for Darwin's Flood at the Bush represented the entire spectrum. A few people, perhaps scandalised, did nothing but wince; some others flinched and guffawed; still others - a few at a time, never quite the same few went into sudden spasms of uncontrolled hilarity.

No critic could tell you where you might fit (I laughed s lot). Here are the premises: - we are in Str Charles Darwin's retirement bome on the Downs, soon to be inundated by the second Great Flood. The year being 1885, Sir Charles is already dead, but be carries on bravely (in the person of John Kane, disarmingly a-tremble with scientific detachment and decent concern), though he doesn't want visitors.

Visitors come nonetheless, welcomed hy his lusty young widow Emma (Alex Kingston). First the philosopher Nietzsche, with his monstrous sister Elisabeth (Rosemary McHale, fault-lessly Teutonic and Intense) and her husband (Paul Bentall), who set out in 1890 with 150 dogged Swabians to found a pure German colony in South Amer-ica. Nietzsche (Bob Goody) is already mad speechless and virtually legless Elisabeth wheels him in a barrow - but eince they are time-travelling backwards there is hope of a retroactive recovery. She wants to verify the agreement of Darwinianism with her brother's will-to-power, devil-take-the-loser philosophy before pressing on to Para-

chunky Ulsterman in biker's Lycra (James Nesbitt) who performs the odd miracle between offstage sessions of prayer and comfort with Mrs Darwin; and then red-leathered Mary Magdalene (Barbara Barnes) with a mobile callgirl's phone, who soon finds herself flagellating scraggy old Nietzsche in crucifixion pose and loincloth, to his bungry satisfaction. Some viewers might find this in dubious taste. As one loopy epi-sode succeeds another, Robin Don's extravagant surprise, exceeding the bttle Bush arena's limits beyond anything one might have imagined.

Meanwhile Jesus Christ drops in, a

Though it must plainly be admitted that Darwin's Flood is a very very silly piece, its special kind of silliness is worth appreciating. Not silly-intellectual, because Wilson never pretends to elevate the central idea - the validity of "social Darwinism", l suppose - into a Shavian debate: instead it keeps prancing off into comical quicksand, Not silly-facetious either (as the above summary might suggest, like almost any summary of a Wilson play); because the undergraduate snook-cocking is just scaffolding for his inspired flights of cogent, deadpan craziness for every

They may not extend far - construction is not a Wilson strength, and his second act falls short of the riotous climax of the first - but they keep coming, knitted neatly into the airy texture and never far from the point. Stokes's cast carry them off with unabashed bravado, abetted by Chahine Yavroyan's hi-tech lighting and Simon Whitehorn's apocalyptic-Romantic sound as well as Don's sensational igns. The morning after, you may find the details lost beyond recall but a delighted glow still lingering. Do not take e maiden aunt

Concert

Russian weight and brilliance

he stormwinds of Soviet change blew the Russian National Orchestra loto being in 1990 - the first orchestra to be wbolly separate from the state in Russia since 1917 and already it sounds as seasoned in style, as effortlessly well-balanced and accurate of ensemble as one of the great orchestras of the world. That is not so surprising sloce the players count among the coun-try's best, many of them soloists lo their owo right, all ready to muster at the found-er-conductor Mikhail Pletnev's call, even if this meant abandoning prestigious positions.

Pletney wanted to create an orchestra with the highest ideals and free from hureaucratic imposition; one, you might say, that would restore Russlan musicians to their pnrest native musicality untainted by Ideology. Oocc Gorbachev gained power, the dream became e possibility: and the combination of Tat'yana Sukhacheva's husloess skill eod Pletnev's immense musical authority -he woo the Gold Medal of the Moscow Interoational Plano Competition wheo only 22 (in 1978) - proved gnlvanising. Soon the new orchestra was travelling the world. Three years after playing Tchalkovsky's Monfred Symphony In Moscow et Its first concert, the RNO was recording It for Deutsche Grammonhon

For its Festival Hall concert on Sunday night, the orchestra offered Tcheikovsky end Weber and secured a large endience. Romeo and Juliet overture was a fine advertisement for their sound, which, like that of the best Russian orchestras, is a compound of weight and brilliance. The stormy passages for rushing string octaves and crasbing chords had all the decisive Russian despatch you would expect, and the lyrical music was mellowly, thoughtfully executed; but the true delight of the performance was per-beps the exact weighting of inner parts such as the roving thirds of the slow introduction or the throbbing woodwind triplets - just sufficiently audible in their own right - st the glowingly expensive reprise of the lyrical tune. For all its quintessential

Russian virtuosity, the orcbestra refrains from exaggeration, and such sensible musicality is made visible in Pletnev's unshowy, hogely effectual platform menner. Wonderful pianist though he may be, he seems a natural as a conductor. In a brilliant and discreetly tongue-in-cheek per-formance of Weher's vapid Konzertstück in F minor he came before us in both roles. In Tchatkovsky's fourth symphony be conclusively demonstrated that colour and architecture are one. The recurrent fateful hrass fanfare can rarely have sounded so blindingly hrilliant, and thus as structurally effective, as this. And what cello resonance (near the close of the Andantico)l what finte agility (for the descants in the finale)! what violas! In the encore of a Dvořák Slavoolc Dance, the letter socoded every blt as sharply characterful, as reedy, as the oboes they were playing

Paul Driver



Patricia Routledge plays Mrs Malaprop as an 18th

century version of her TV role, Hyacinth Bucket

■ AMSTERDAM

Muziektheater Tonight: Sankai Juku presents Yuragi, play by Japanese author Ushlo Amagatsu. Thurs: ballet gala with Alessandra Ferri and Julio Bocca. Fri, next Mon: Peter Schat's new opera Symposion (020-625 5455) Concertgebouw Tonight: Philippe **Entremont conducts Netherlands** Chamber Orchestra in works by Mozart, Ibert and Saint-Saens, with plano soloist Stefan Vladar. Tonight (Kleine Zaal): Raphael Oleg, accompanied by Barry Douglas, plays violin sonatas by Grieg and Richard Strauss. Fri: Jean Fournet conducts Rotterdam Philharmonic Orchestra in Berlioz, Saint-Saens, Debussy and Ibert, with plane soloist Jean-Yves Thibaudet. Sun afternoon: Vassili Sinaiski conducts Netherlands Philharmonic Orchestra in Debussy, Saint-Saens, Bartok and Kodaly, with cello soloist Janos Starker. Sun afternoon (Kleine Zaal): Kenneth Montgomery conducts concert performance of Walton's The Bear, Sun evening: Murray

Perahla piano recital. Next Tues:

Sergiu Celibidache conducts Munich Philharmonic (020-671 8345) Beurs van Berlage Tomorrow: Netherlands Philharmonic Orchestra in Debussy, Saint-Saens, Bartok and Kodaly, with cello soloist Janos Starker. Thurs, Frl, next Mon: Janos masterclasses (020-627 0466)

ANTWERP

de Visamse Opera Tonight, Thurs afternoon, Sat: Stefan Soltesz conducts Willy Decker's production of Billy Budd, with cast headed by Michael Kraus, Nigel Robson and Gldon Saks. The production can also be seen in Ghent on May 20, 22 and 27 (03-233 6685)

■ BRUSSELS

Monnaie Tonight: Antonio Pappano conducts final performance of Willy Decker's production of Peter Grimes, with William Cochran, Susan Chilcott and Gregory Yurtsich. Sat, Sun (Palais des Beaux-Arts): Michael Gielen conducts Schoenberg'a A Survivor from Warsaw and Beethoven's Ninth Symphony (02-218 1211)

■ CHICAGO

Orchestra Hall Tonight: Daniel Barenboim conducts Chicago Symphony Orchestra in Boulez's Notations V-VIII, plus works by Beethoven and Bruckner. Tomorrow: Barenboim is conductor and soloist in a programma including Eliott Carter's new Partita and a Mozart Piano Concerto. Sun afternoon: Brigitte Engerer plano recital. Next

Mon: Welfgang Sawallisch conducts Philadelphia Orchestra (312-435

■ GENEVA

Grand Théâtre Tonight, Thurs, Sat, next Mon: Bruno Campanella conducts Robert Carsen's production of I Capuleti e I Montecchi, with cast headed by Laura Claycomb and Jennifer Larmore. Sun: Thomas Moser song recital (022-311 2311) Théâtre de Carouge Tonight: first night of new production of Corneille's Le Cid, directed by Simon Eine In designs by Ezio Frigerio and Franca Squarciapino. Daily except Mon till June 7 (022-343 4343)

■ UTRECHT

Vredenburg Tomorrow: Philippe **Entremont conducts Netherlands** Chamber Orchestra in works by Mozart, Ibert and Saint-Saens. Sat. Vassill Sinaiski conducts Netherlands Philharmonic Orchestra in Debussy, Saint-Saens, Bartok and Kodaly, with cello soloist Janos Starker. Sun: Reinbert de Leeuw conducts Schoenberg Ensemble in Schoenberg and Kagel. Next Mon: Jack Bruce, Ginger Baker and Gary Moore (030-314544)

■ VIENNA

OPERA Staatsoper Tonight: Prokoflev's ballet Romeo and Juliet. Tomorrow, Sun. next Wed: Placido Domingo conducts John Dew's new production of I Puritani, with Edita

Gruberova, Mario Giordani and Dmitrl Hvorostovsky. Thurs: Colin Davis conducts tdomeneo, with Siegfried Jerusalem and Anne Sofie von Otter. Fri: Kenneth MacMillan's ballet Manon. Sat: Die Zauberflöte. Next Mon and Thurs: Der Rosenkavaller with Gwyneth Jones, Anne Sofie von Otter and Kurt Moll (51444 2955)

Theater an der Wien Sat, next Mon and Wed: Thomas Hengelbrock conducts Achim Freyer's Vienna Festival production of lphigénis en Tauride, with Carola Hohn, Keith Lewis and Gino Quilico, May 26. 28, 30: Abbado/Miller production of Le nozze di Figaro (586 1676)

CONCERTS Musikverein Tonight, tomorrow: Claudio Abbado conducts Berlin Philharmonic Orchestra, Thurs: Martin Haselböck conducts Wiener Akademie in works by Mozart and Schubert. Fri, Sat: Vaciav Neumann conducts Vienna Symphony Orchestra in Beethoven, Berg and Bruckner, with socrano Edith Wiens. Sun morning, next Tues evening: Carlo Maria Giulini conducts Vienna Philharmonic Orchestra in Beethoven. Sun evening: Simon Rattle conducts CBSO in Tippett and Bruckner. Mon. Philippe Entremont conducts Vienna Chamber Orchestra in Mozart and Haydn, with piano soloist Stefan Vladar (505 8190) Konzerthaus Tonight: Jukka-Pekka Saraste conducts Deutsche Kammerphilharmonie in works by Sandström, Handel and Brahms.

Tonight (Mozart Saal): Angel Romero

gultar recital (712 1211)
Minoritenkirche Tonight Dvorak

opera concert by soloists

from Bratislava (985 5252) THEATRE A new production of Goethe's

Tercuato Tasso, directed by Cesare Lievi, has just opened at Akademletheater (51444 2959). Repertory at Burgtheater includes Claus Peymann's production of Ibsen'a Peer Gynt and Hofmannsthal's Der Schwierige (51444 2959). There is a final performance tonight at Theater an der Wien of Shakespeare's Antony and Cieopatra, directed by Peter Zadek (586 1676)

■ WASHINGTON DANCE

 Washington Ballet is in residence at the Kennedy Center's Terrace Theater from tomorrow till Sun, with a programme including a Graham Lustig world premiere and choreographies by Choo-San Goh and Monica Levy. May 17-22: San Francisco Ballet (202-467 4600) Mikhail Baryshnikov's White Oak Dance Porject is in residence at Warner Theater from May 18 to 21 (202-432-seat)

 Christoph Eachenbach is conductor and piano soloist with National Symphony Orchestra tonight at Kennedy Center Concert Hall, in a programme of Beethoven and Tchalkovsky. Thurs, Fri afternoon, Sat, next Tues: James DePriest conducts Beethoven programme with piano soloist Awadagin Pratt. Sat afternoon: Daniel Barenboim conducts Chicago Symphony Orchestra (202-467 4600) Sergiu Commissiona conducts Battimore Symphony Orchestra on Thurs, Fri and Sat at Baltimore'e

Joseph Meyerhoff Symphony Hall, in a programme including Haydn's Trumpet Concerto (Hakan Hardenberger) and Debussy's La Mer (410-783 8000)

 Ivo Pogorelich gives s piano recital on Fri at George Mason Center for the Arts (703-993 8888) THEATRE

● The Winter's Tale: Britain'a Royal Shakespeare Company le in residence at Eisenhower Theater

till May 22 (202-467 4600) The Misanthrope: Mollere's comedy is transposed to Hollywood in this production at Roundhouse Theater, opening on Sat (301-933

 Wings: a new musical by Jeffrey Lunden and Arthur Perlman, based on a play by Arthur Kopitt. Opens tonight at Signature Theater (703-820 9771)

The Baltimore Waltz: the 1992

Obie Award winner by Paula Vogel takes us on a grand tour of Europe with an alling man and his resourceful sister. Opens tomorrow at Studio Theater (202-332 3300) Ghosts: Ibsen'e play about social and religious hypocrisy. Till June 5 at Center Stage (410-685

ZURICH

3200)

Opernhaus Tornorrow, Sun, next Wed: Lamberto Gardelli conducts Andrei Serban'e new production of Adriana Lecouvreur, with Mara Zampieri and Nell Shicoff, Thurs, Sat: Nikolaus Hamoncourt conducts Fidelio with Gabriela Benackova and Peter Seiffert. Fri, Sun afternoon: choreographies by Bienert, Ek and Van Manen (01-262

ARTS GUIDE Monday: Berlin, New York and Tuesday: Austria, Belgium, Netherlands, Switzerland, Chi-

wednesday: Franca, Germany, Scandinavla.
Thursday: Italy, Spain, Athens, London, Prague. Friday: Exhibitions Guide.

European Cable and Satellite Business TV (Central European Time) MONDAY TO FRIDAY NBC/Super Channel: FT Business Today 1330; FT Business Tonight 1730, 2230

NBC/Super Channel: FT TUESDAY

Euronews: FT Reports 0745, 1315, 1545, 1815, 2345 WEDNESDAY

NBC/Super Channal: FT Reports 1230

NBC/Super Channal: FT Reports 1230 News: FT Reports 0230,

NBC/Super Channel: FT Reports 2230 Sky News: FT Reports 0430,

ast Germany's city councils have had

enough. For three

years, they have watched large west German

retailers invade the east, set-

ting up furniture, home

improvement and liquor stores

tion in 1990, retailing in the east had been monopolised by the Konsumgenossenschaft cooperatives, comprising supermarkets and small shops; and the Handelsorganisation, the state-run department stores. Compared to west Germany, which has maintained a level of 1-1.2 square metres of retail space per person for several years, there were only 0.3 sq m per person in east Germany

Once the unification treaty was signed, west German retailers rushed in But, unlike in the west, they found city centre sites unsuitable for development - many were too expensive, and many were subject to labyrinthine property claims stretching back

So they snapped up plentiful rural sites which had investment incentives in the form of tax write-offs and state grants of up to 50 per cent. The result? "The expansion has been quite incredible," said Mr Hubertus Tessar from Germany's Association of Retailers, who reckons there are now 3 sq m of retailing per person

The retailers had hungry customers. East Germans demonstrated an insatiable demand for consumer goods. especially for home improvement items. Mr Tessar said turnover in east German retailing last year totalled about DM120bn, compared with about DM88bn in 1992. For instance, Hornbach, the do-it-yourself

Sa

All

bus

Mo

Reg

·can

Fin

Mo

Reį

En

inte

Hei

I E

Μu

eise

use 25 1

adv The

is a

Fîn:

pro: Izve

Public Negati

RE

Plent FT C Cami Soles Edito

(0) AD

PO

Office

PAY

CAM CAM SK COMM

Courting the customer

Judy Dempsey says city centres in east Germany are fighting back to attract western retailers



East Germans have an insatiable demand for consumer goods

ing sector.

however. Rather, they want to

recoup lost tax from the retail-

Under current legislation,

tax on a percentage of stores' turnover goes to the local

councils on whose land the

shops are located. For example,

the small local council of

Gunthersdorf west of Leinzig.

which has a population of 650,

can expect to flourish from the

revenue derived from from the

100,000 sq m Saale Park shop-

Commerce, reckons that the

city of Leipzig is substantial

mated annual DM900m turn-

over by retailers on greenfield

between the city government and local councils. That strug-

gle is about how to win back

consumers to the inner cities,"

retailers is building from

Pressure on ont-of-town

Chairman of Virgin Atlantic Gardmamber since 1985.

he said recently.

I'd travelled on other airlines.

and DIDN'T enjoy it.

"A struggle is taking place

ng tax income from an esti-

ping complex which is expec-

ted to achieve a

turnover of

DM850m next

year. Mr Ralph

Kausch, a

retailing expert at Leipzig's

Chamber

west German chain store, this year expects its four outlets in east Germany to account for a quarter of its total turnover, which last year was DM750m.

However, Mr Tessar expects only 1 per cent retailing growth this year largely because the attraction of greenfield sites may be diminishing. There are three reasons. The city councils are beginning to adopt a strategy almed at correcting the imbalance between

retailing ont-'There's no side city centres and in doubt that the cities. The curgiant retailing rent ratio is outlets are here about 85:15, unlike in west to stay Germany where

it is about 50:50. Berlin and the surrounding state of Brandenburg, for example, have already adopted strict planning regulations for anyhody wanting to develop retailing outlets on greenfield sites. Leipzig, in the southern state of Saxony, has followed suit and may try to block planning permission for Ikea, the Swedish furniture store, to build a plant in the region.

City councils are not primarily interested in the consumer, another quarter. As property disputes are resolved in city centres, so more buildings will become available. Mr Barker of Immobilien Consulting believes department stores and small supermarkets geared towards convenience shopping, are poised to take on the giant

Finally, the retailers in greenfield sites confront economic problems that are a long-term result of unification. Although the east German economy is expected to grow about 7 per cent this year - after a fall in gross domestic product of about 30 per cent between 1991 and 1992 - consumer spending is slowing down as more east Germans sava to provide a cushion against potential unemployment. Some retailing experts believe that as shops in city centres improve, consumers will reduce their out-of-town

The cities, however, have some way to go to make shopping in the centre attractive. re is a dearth of parking facilities, and entering most city centres is like negotiating the gateway to a fortress. Roads are blocked by hulldozers being used to modernise the infrastructure.

More crucially, in their attempt to fight back, east German cities may be starting to adopt the outmoded practices of west German retailers. For example, instead of introducing more flexibility, restrictive shopping hours are being introduced; and instead of a competitive pricing policy, many stores are accepting the Rabattgetesz, a law dating back to 1933 which prevents retailers lowering their prices by more than 3 per cent except at designated sales times.

"Its all very well the cities trying to compete with the eenfield sites, but perhaps they could start thinking about the consumer for a change, said Mr Barker.

Until they do, any resurence in city centre shopping will get off to a slow start. Con sumers have acquired a taste for choice in products and a range of services which cities are struggling to fulfil. Mr Cy Schluter, a Frankfurt-based retailing expert, said: "That was the great thing about the initial expansion of the greenfield sites in eastern Germany. Retailers tried to break the old-fashioned pattern of the west German planning system Even if the cities in east Germany fight back, there's no doubt that the giant retailing outlets are here to stay."

Joe Rogaly

The right question time



should be a referendum Europe. could be held in 1997, if in party leader can bind his or her successor. Against that, statements by leaders can act the preceding year the Euro-Union as markers.

its member states. Alternatively, it might come on a hypothetical date in the wild hlue yonder - say the day before a British government concludes that sterling should be melted down into a single pan-European currency, if there is one. There is no principled case for a poll now, and even less for a ballot in which the question would be, as Mr William Cash puts it, "Do you want a federal Europe?" That tal conference of 1996 - or, as would be as sensible a barome-

ter of opinion as "Should we eat the firstborn?" A quickie summer referendum whose purpose was to save the Conservative party would be pointless. No constiintional precept would justify it. Beyond possibly buying a little time, it would not save tral the Tories. It is true that the then Harold Wilson achieved a not be expected (temporary) ceasefire in the Labour party by calling a plebi-scite on Britain's membership of the "common market" in 1975, but four years later a sorely divided Labour govern-

ment was out of office. It has not been back since. Mr John Major may be tempted to try his luck, but he will be aware that any give on a referendum today might legi-timise the already open faction fighting in his cabinet. Supposedly disciplined ministers thump their own tubs quite enough aiready. Heaven help the Tories if they are freed to answer questions on the single currency. The riposte canvassers are meeting on the door-steps - "which Conservative party are you from?" - would

Yet there is a practical case

ing because nothing is about to happen this year or next. Such a long-term undertaking would be of limited value, since no

The Conservatives should say, and mean it, that a commitment to hold a referendum on strengthening the EU will be in the next general election manifesto. They should do this on principle, not expediency. Snch a strategy would be forced on them anyhow, if substantive, centralising, con-stitutional changes were agreed at the intergovernmen-

Mr Norman Lamont intiit. Important mates, Britain's moneconstitutional tary policy was proposals should about to be controlled by a be submitted Epropean cento the voters hank. An unconsulted for a decision public could

to support the government in either endeavour. There is no getting away from this. Important constitutional proposals should be submitted to the voters for a decision. The establishment of the European Union on the basis of the Maastricht treaty was endorsed by the general elec-tion of April 1992. That was then. Next time might be different. Suppose that in 1996 the EU crosses the line laid down hy its nation states, and acquires self-sustaining sovereign powers. That would be a huge alteration in the way in which people are governed. As presently set up, even after Maastricht, the EU is a congeries of states, in constant debate about an almost infinite

there for promising a plebiscite in pan European rules for this a ref- certain circumstances. Promisence, it could become an embryonic super-state, the stuff of English nightmares and continental fantasies.

As Mr Paddy Ashdown has said, that would be the time to consult the people. In such a circumstance, as Mr Ashdown has not said, a general election would be an insufficient method of gauging the popular verdict, since the character of the EU would be permanently altered. There is no problem about what question should be asked. The leader of the Liberal Democrats has this one right. The entire package agreed by the member states should be put before the pub-

There is no getting away from "Yes or no?" When a change is significant enough to warrant mass conaultation, the question usually sets itself. Should Scotland have its

own parliament? Should the first-past-thepost system of voting be changed? If so, to what? Should

Maastricht II be enacted? This last proposition is acknowledged by passionate British advocates of a federal Europe, such as the European Movement. You will appreciate the flavour of the EM if you reflect on the choice of Sir Edward Heath to deliver the keynote address at its weekend "rally for European democracy". The meeting was called to debate a text for British Europhiles, published last week under the title "Reform of the European Union"

We may rest assured that Mr Major will not take up this package. He will be aware that the EM's proposals could only be put forward by a Conservative prime minister on his last

day in office. There is no need to go into detail. Just note that the movement would streng then the European Parliament and place the administration of justice, as well as foreign and security policy, under the captral control of an evolving quantitation of the control of an evolving quantitation of the security are the semantics and security are the semantics. and security are the separate "pillars" for which Mr Major fought so hard at Maastricht On one point, however, the EM might find all sides in agreement. It proposes that the new constitution should not come into force until it has been approved ... "in reference to be held simultaneously throughout the Union". As a says, "such a constitution requires a large consensus among the citizens, as well as very thorough preparation by its drafters". The EM does not believe this will be achieved by 1996, so we can assume that is proposed referenda might not take place much before the

close of the century.

This prolonged timetable has been used as camouflage by Mr John Smith, the Labour leader, as it has been by ministers who seek cover while the flat flies all around them. Scarred perhaps, by his experience of the Scottish referendum of March 1979, Mr Smith has been consistently against a Mass tricht ballot. "Normally decisions are taken by Parlis ment," he said yesterday. "Bu this is a decision that is so far ahead that we can consider all these matters carefully much nearer the time." Translate that means: "I'm still keeping my mouth shut, and watching the Tories destroy them selves." Some Conservatives admire this Trappist strategy but the voters may not reward him for it. Mr Smith has prof fered a referendum on proportional representation, to keep his party together. He should think about promising one on a centralised Europe, or a shgle currency. Why? Because it

MANCINI

THE EDITOR LETTERS TO

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

series of treaties and sub-trea-

ties, ever trying to agree on

solution to Turkey's ills

From Professor S. Theofanides. Sir, There is a pragmatic solution to Turkey's economic problems ("No delight at Turkish central bank plan", April

L. Reduction of the unproductive military expenditure to 1 per cent of gross national product - the level of nearly all countries. This will be the best therapy for budget deficits and chronic inflation. The reallocation of resources for productive uses will speed up growth another important national

goal. 2. Withdrawal of Turkish military forces from Cyprus following the United Nations plan. This will give Greece the green light for freeing EU funds to Turkey which are needed for the external economic stability

of the country.
3. Offer complete autonomy to the Kurds in the framework of a federal organisation following the Treaty of Sèvres (1920). This will promote domestic and international stability - a necessary condition for prog-

Athenian Lysistrata. could teach Mrs Tansu Ciller, Turkey's prime minister, it is better to make love and not war. S. Theofanides,

Panteion University, Athens 175 71, Greece

Three-point | Short-termism a political fault

From Mr Philip Turner. Sir, A future Labour govern-

ment "would seek to reform companies law to counter the culture of City short-termism which the party believes is harming industry", according to David Owen's article, "Labour vows to combat City

'short-termism'" (May 3). The Conservatives, too, it seems, have identified "shorttermism" in the City as a

weakness. Is this not a case of the pot calling the kettle black? All too often, politicians' horizons seem to be limited to the next election. Expenditure commit-

ments made to court

an excessive tax burden in the future. Cheese paring today to keep the expenditure numbers down only results in higher spending later. What is seen as short ter

mism by company managements is often a response to their owners' wishes. Is this such a bad thing? It is certainly better than allowing managements to become unac-countable, as the record of the public sector shows. If investors seem to place too much emphasis on the short term. this is in part unavoidable: after all, the near future is more foreseeable than the dis-

ehort-term popularity lead_to help the many investors who do try to take a longer view by taking care to keep them properly informed of future plans. For both managements and investors, long-term is more difficult than it should be because of constant che

in government policy: the stop-go economy and the ever-shifting taxation rules. Major, Smith and Co should deal with their own short-termism before they blame the City. Philip Turner,

deputy chief executive. 39 Victoria Street London SWIH OEE

Decisions are for others to make

Sir, In his excellent article "On the road to procrastina-tion" (May 4), Adrian Furnham details the six most favoured methods of avoiding decisions,

all of which are important techniques for the up and coming manager. However, there are three oth-

ers well worth a try:

The 'Haven't got time/tear jerker' method. Here, the decision-maker will state plainly thet he/she hasn't got time to consider the problem, but cleverly manages to come up with a reason which makes the requester feel a schmuck. For

example: "The CEO has just asked for a report. I'm probably going to have to work the whole weekend as it is." Absence or resignation of a key member of staff also

works.
Failing any internal excuse to latch on to, a close relation just admitted to intensive care is usually a winner.

 The 'Pass the buck' method. For example: "Do ask John, he has the latest figures" or "that will have to go before the board. Pity you've just missed the last meeting, next one is in a couple of months."

The 'I'm glad you called'

change of subject and ending with the requester being given something to investigate. The decision-maker should speak quickly and, where fitted, should turn down his/her hearing aid. It works best on the telephone so that persistent requesters can be cut of with "I must go, John's just arrived for a meeting," or as a last resort, a phone malfunction. It would be interesting to hear other experiences from

method, followed by a swift

your readers. Stephen Pierce 70 Quarry Hill Road, Tonbridge, Kent TN9 2PE

Lloyd's short on information for Names

From Mr R. Ian Wood. Sir, I think Lex (May 4) is somewhat premature in congratulating Lloyd's on its proposals for a market in syndicate participations.

In order to have an efficient market, all the participants must have access to the relevant information. If Names are denied information on their trading, then we shall have a false market. At the moment, for instance, only a limited number of syndicates issue interim reports, and some of

them only produce them after the year is over. To add insult to injury my agent informs me in the nicest possible way that I have no right to see the interim reports, such as they are, and that he only sends em to me (when he can find the time) out of the goodness of his heart. From time to time - and particularly about now - one bears or reads in the press that syndicates have issued

profit warnings.

The individual Name is not sent these warnings, but has to

wait for his agent to send the annual consolidated statement It is all very reminiscent of the situation of the small investor in the stock market 40 years ago. No, Lloyds has got a long,

long way to go yet! Finally, it is intriguing, is it not, to see that (single) corporate syndicates will be allowed one-year accounting. So it can be done after all? R. Ian Wood. Greystones, Great Rollright,

Chipping Norton, Oxon.

Quandary.

From Mr Rohit Shah. Sir, Jancis Robinson states in the Business Travel column (May 9): "...together with the generally dehydrating effect of air travel...it is essential to alternate non-alcoholic drinks with alcoholic ones."

As a teetotaller, I am left in a quandary; or does Jancis Rob inson mean "it is essential to alternate alcoholic drinks with non-alcoholic ones." Robit Shah.

11 Maddox Street. London WIR 9LE

Women in management is also a little-understood issue for men

From Ms Susan Clayton. Sir, Is it not time to face the fact that "women in management" is not just a women's issue? The male-dominated working practices that Lady Howe refers to ("Resources must not be wasted", May 6) are created by men, not out of anti-feminism, rather out of a different way of relating to the world (Hedda Bird's letter of May 6). Women in management" is as much a men's

issuel There is very little inquiry

really view women coming into management, or the issues this throws up for men. What efforts are there to support

position that they find themselves in? For example, can men admit to feeling threatened, do they understand the skills that women bring into management, do they actually want to understand these skills? Do men trust the intuitive skills

that women can bring into management? in getting to

appreciate the strengths that women bring, their abilities to identify the values of the organisation and its commerand challenge men on the new cial environment?

When we begin to face up to the real problem, there are many unanswered questions and many questions never asked.

One way of dealing with the problem is to encourage men and women to ask questions and express their positions face to face; to dispel myths about each other and gain a into understanding how men grips with strategy, do men real appreciation of their differ-

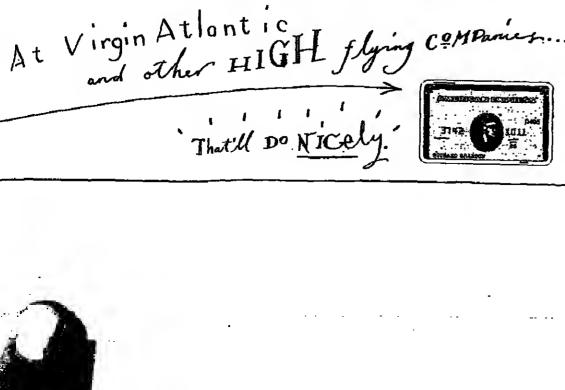
cover their complementary qualities as well as those that conflict

Only then will men and women executives engage with each other at a level that can make a positive and permanent difference to men and women together in management Susan Clayton,

managing director, 'almitra', 54 James Orchard, Berkeley.

Gloucestershire GL13 9TP





FINANCIAL TIMES

Number One Southwark Bridge, London SEI 9HL Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Tuesday May 10 1994

Rules of the new gas game

Had it not been so long delayed, yesterday'e consultation paper on the future of the UK gas market regions. A new Network Code would probably have earned only routine comment. Most of it con-tains technical proposals for flesh-ing out last year'a decision to abol-ish British Gas' monopoly; it is about detail rather than principle. Instead the Department of

ISTOPHOLICAL

the control to the fire

the transfer of the case

with the defendant

Note to the large of the State of the State

FOR

litical faul

o make

Quandan

William Charles

The state of the s

graff bottom to the

der.

Auge

.

3.6011

Instead, the Department of Trade and Industry spent much of the day fending off accusations that its plans will trigger sharp increases in gas prices, and result in the poor and elderly being cut off from supplies. It has only itself to hlame for this. But now that the consultation process is finally under way, the pace must be maintained because there is not much time if liberalisation is to be achieved by the 1998 deadline.

The test of the document is whether it points the way to a competitive market without sacrificing safety or diluting the social obligations that go with a domes-

tic gas supply.

The basic organisational proposals look sound. There is to be a transitional phase during which competition will only be introduced in small measure, and some regulatory controls may continue beyond 1998 to prevent abrupt changes, British Gas may end up playing a special part for some years yet because of its market dominance and ownership of the transportation system. But it would be compensated for this.

New suppliers would have to demonstrate financial strength and access to gas supplies before they could be licensed. They would also have to take on British

comers in their chosen franchise regions. A new Network Code would ensure that the players in the new game behaved. If one of them falled, the rest would pick up the pieces under a proposed bonding or insurance scheme.

clear, and therefore less convincing, is over pricing. It acknowledges that, as tha cross-subsidies in British Gas'e present prices are squeezed out, there will be a pro-cess of "rehalancing". Furthermore, consumers who live a long way from the gas terminals could end up paying more because of the greater role that transportation costs will play in the new regime.

The government's answer to these concerns is its faith in the market's ability to drive prices down. That faith will be strongly challenged in the confrontational climate which has greeted the document, and the government appears to have anticipated this by hinting that published tariffs may be required and that price controls could be extended. It is reasonable for the govern-

ment to be concerned about pre-venting the entry of unreliable operators into the supply of a basic fuel, but the tone of the document betrays a worrying ner vousness about price liberalisa-tion. Independent gas suppliers were less than enthralled by what they saw yesterday. As it firms up the rules, the government will need to ensure that they are sufficiently attractive to draw in the new competitors without whom

Centre left

Hungarian voters shrugged off sacrifices demanded over the last attempts to revive bitter memories four years. of the 1956 Budapest rising against Soviet-imposed socialism as they voted over the weekend. In the first round of a complex two-part election they deserted the conservative Hungarian Democratic Forum which steered the country through the first four painful years of post-communist readjustd like their co parts in Poland and Lithuania, they voted heavily for a revamped socialist party led by men who received their political training and wielded power in the former communist regime.

In three weeks the electorate will return to the polls for the final round of voting which will determine the shape of the next government. This will most probahly be a coalition between the Socialists and the Free Democrats. But three weeks is an awfully long tima in politics. The Free Democrats, a liberal grouping which emerged as the second party with just under 20 per cent of the votes against the socialists' 32 per cent, have made clear that they will use it to attract the votes of those who want to ensure that the socialists will be constrained

by a strong coalition partner.

Such a coalition, with a secure parliamentary majority and basic commitment to continuing the market-based economic reforms which have attracted \$7bn in foreign investment to date, would be well placed to benefit from a rising tide of economic prosperity which is now in prospect after the

The slow pace of recovery for an economy saddled with more than \$20bn of foreign debt inherited from the former communist regime was one of the main fac-tors leading to the loss of support for the ruling Forum. The party served Hungary well. It provided political stability for the entire post-communist parliament. But now that Moscow no longer

projects its shadow over central Europe, a substantial vote for a party that calls itself socialist and promises more professional gov-ernment and a alightly greater degree of income redistribution raises no fears. The important thing is that voters have chosen to keep to the centre ground, albelt

shifting it slightly to the left. Participation in the vote was high, voting took place calmly, and above all voters avoided alarming their neighbours in Slovakia and Romania by voting for those who talked of regaining Hungary's former dominant position in the Carpathian region.

By ignoring the siren songs of both the nationalist right of Istvan Csurka and the hardline communists on the left. Hungarians have helped the cause of stability in the region. They have thus improved their own chances of doing what Hungary's rulers failed to do dur-ing the 50 years when socialism was imposed from ontside: narrowing the gap between their liv-ing standards and those of their

School testing

The government's proposals for streamlining the national curricu-lum in English schools, published yesterday, have been welcomed by teachers and educationalists. Mr John Patten, education secretary, has broadly accepted the reforms recommended by Sir Ron Dearing. his astute curriculum adviser. It remains to be seen, however, whether he can deliver the other half of the package: comprehen-sive and objective testing to ensure that all children achieve higher educational standards.

In line with Sir Ron's recommendations, the new national curriculum aims to fill no more than 80 per cent of school time for most children. It is closely focused on basic skills such as literacy and numeracy. The controversial technology curriculum has also been revised to emphasise the importance of work skills and specify a

coherent body of knowledge.
There remain, however, disquieting signs of Mr Patten's recurrent desire to harness schools to populist causes. The streamlined curriculum gives greater weight to team games and competitiva sports, even for older children who might prefer fitness activities or individual pursuits. And Mr Patten's repeated interference in sex education has irritated health professionals who say that his guidelines will do nothing to curb the growth in teenage pregnancies and sexually-transmitted diseases.

This penchant for publicity-grabbing initiatives alienates teachers and alarms parents. And it unnecessarily draws education

acceptance for the curriculum pre-posals which are essential to rais-ing the quality of education. Successive reports have indicated the failure of English schools to equip a large minority of school-leavers with even basic skills. Inspectors' reports too often find that pupils are not sufficiently challenged by the teaching they receive, particu-

Getting the curriculum right is only one step in addressing these shortcomings, however. It is just as important to ensure that schools are teaching the new curriculum properly. The new independent schools inspectorate can contribute to that with its more frequent inspections and well-pub licised reports to parents. Equally important is the regular testing of schoolchildren to see whether they are reaching satisfactory

Yet testing remains disrupted by a boycott by the National Union of Teachers, the largest teachers' union. The boycott is largely ideological in motive - it is against the principle of objec-tive, external testing. Unlike last year, it is opposed by unions representing the majority of teachers. Yet this year's tests appear to have been severely disrupted by the minority's action. Mr Patten's priority now must be to restore momentum to the testing programme so that parents and employers can have confidence that the national curriculum is more than just good intention.

outh Africa hae been stunned by its first brush with democracy. For citizens of mature nations, to whom democracy is an old and devalued friend, voting is a banal political act uninspired by higher emotion. But South Africans came to the polls as political vir-gins: with their naivety and their faith, they cast their ballots over-whelmingly for the ideal of one nation, undivided by race. More than anything else. South Africa's future will depend on the success of

hitter will depend on the success of efforts to realise that ideal.

Nelson Mandela, who will today be inaugurated as the first president of a united South Africa, has devoted his life to that goal. He never lets the subject drop: every proceed including. speech, including yesterday's address in Cape Town after he was elected president, stresses the need to reconcile South Africans to a common destiny.

Constantly, he repeats the words he first uttered from the dock dur-ing the Rivonia treason trial 30 years ago: "I have fought against white domination and I have fought against black domination. I hava cherished the ideal of a democratic and free society in which all per-sons live together in harmony and with equal opportunities. It is an ideal which I hope to live for and to achieve. But if needs be, it is an ideal for which I am prepared to

Mr Mandela did not have to die; outgoing President F.W. de Klerk had the wisdom and vision to prevent such a disaster. But it was a close-run thing: Mr Mandela is nearly 76, and without the adrenalin and excitement of his release and the subsequent four years of political change, he might well have begun to fail. But Mr de Klerk knew that no other black leader would offer whites a better deal, and he desperately feared a race war. So he took the first inevitable step to racial reconciliation; the rest is up

The legacy of the recent elections will be no small belp to him in this task. For as the chairman of the discredited Independent Electoral Commission, Judge Johann Krisgler, pointed out, the exercise had more to do with reconciling people than reconciling votes. (A convenient excuse from a man who proved completely unequal to the job of running a modern election, but true even so.)

So ballots were not reconciled, and their legitimacy could not be proved. Perhaps that was just as well, for it gave political leaders the excuse to do their own kind of reconciliation; sharing out power more as they thought the voters ought to have done, than as they probably did; providing what one political insider called a "designer outcome" to a messy and chaotic election. One local newspaper called it "a dream come true"; those less given to hyperbole nonetheless thanked African political discourse) for such a neat and happy outcome.

For despite the electoral bungling

and administrative farce which attended the birth of South African democracy, the politicians have delivered a result which stands a good chance of guaranteeing stabil-ity in years to come: e deal which binds all the major parties to the constitution, and leaves only tha tiniest fringe to the left and right in

extra-parliamentary opposition.

The African National Congress is etrong, but not dominant: it did not gain the two-thirds of the national vote which would have made tt simpler to force through its ideas on a new constitution. And crucially, it did not win control of two important provinces, KwaZuln Natal, with a fifth of the country's population, and the western Cape. True to form, Mr Mandela welcomed his party's failure to pass the twothirds threshold, hoping this would allay white fears of black domina-tion. That was an essential part of the "designer outcome": the ANC could not be allowed to win too many votes, or national reconcilia-tion would be jeopardised.

The National party passed the 20 per cent psychological barrier needed to give the party the power

They're all in this together

How long will South Africa's spirit of reconciliation last under Mandela, ask Patti Waldmeir and Michael Holman



base from which to argue for minority interests within the government of national unity. And the Inkatha Freedom party won the province of KwaZulu Natal with a fraction more than 50 per cent of the vote, giving the party a one-seat majority in the 81-member provincial assem-

The ANC surrendered Natal where some 15,000 people have died in the past decade in fighting which the ANC blames on the IFP - in the certainly the wisest course: for with inkatha running well ahead in the polling (howevar crooked the results), the party of Chief Mango-

Mandela welcomed the failure to pass the two-thirds threshold, hoping this would allay white fears of black domination

suthu Buthelezi would never hava accepted defeat. Inkatha is likely to prove much less belligerent within government than outside; and it now has a vested interest in the success of the new order.

The result has left South Africans in a pleasurable state of shock. The unimaginable is constantly made fact; sad old truths have been forgotten and the twin burdens of guilt and oppression lifted from the national spirit. The momentousness of what has

happened - long foreseen hut not quite grasped - strikes home in the images of the new South Africa. Mr Mandela addresses the media from the steps of Tuinhuis, the elegant

Cape Dutch mansion which bouses the presidential offices; in this building five years ago, he took tea as a prisoner with outgoing Presi-dent P.W. Botha, returning to his cell after tea was served. He poses for photos on the steps of the tri-cameral parliament constituted expressly to exclude blacks, and places his hand over his heart in allegiance as an official band plays Die Stem, the anthem of apartheid (now one of South Africa's two

In the historic Raadsaal (council chamber) in Bloemfontein, capital of the Orange Free State (last used at the turn of the century to house the parliament of the Orange Free State Boer republic), Patrick Lekota of the African National Congress is sworn in as premier of the new province of the same name. Five years ago, Lekota was serving a 12year sentence for treason against the South African state. Now he is one of the most powerful men in the

This scene is repeated throughout the country, as former prisoners take the salute from their captors. And every provincial premier convevs the same message: the need for racial reconciliation and investment to build a new South Africa. That is Mr Mandela's vision: the miracle is that his subordinates seem truly to have taken it to heart.

Perhaps the spirit of reconciliation will not survive the new government'a first five-year term in office; perhaps it will expire long before. But to hear the new ANC premier of the Johannesburg-Pretoria reginn, Mr Tokyo Sexwale, plead with the white right wing to join in the new South Africa - and not to closet themselves away in some forgotten corner of an arid

homeiand - is to believe that the new government's intentions are good. Mr Sekwale has even said he will forego the traditional triumphal act of African liberation: changing the names of streets and buildings to deny the European past. He understands the impact this would have on the white psyche, and seeks to avoid it.
It is hard to see how such gener-

ous impulses could have survived the depredations of apartheid, but of the electorate voted for a party whose appeal (though not its official platform) is based on black revenge, the Pan Africanist Con-

Surely the best is over: the ANC must now dirty its hands with the politics and not just the rhetoric of nation-building

gress. And though 400,000 whites voted for Gen Constand Viljoen and his dream of an Afrikaner homeland, this is far more e cultural than a racial concept. Overwhelmingly, South Africans voted against

But surely the best is now over: Nelson Mandela'a inauguration hrings to an end the era when the ANC was unquestionably on the right side of history. It must now dirty its hands with the politics and not just the rhetoric of nation-building. Mr Mandela's good intentions will be sorely tested in this phase. For there is a contradiction inherent in the twin goals of his new government: reconciliation and

improving the living standards of the black population. If blacks advance too rapidly at the expense of whites, whether in terms of job opportunities or government spending, racial relations will be strained; if they continue to lag behind, the

same will happen.
In the end, race relations will worsen or improve as the economy fails or prospers, within parameters which may be set by the World Bank or the International Monetary Fund. For once equality is achieved at the ballot box, economic equality becomes the next target: nn new nation can be bullt if the whites all leave because of economic decline, or if blacks languish forever in poverty. That is why Mr Mandela con-stantly appeals to whites to stay in South Africa, nr return if they have

Despite his best Intentinns, however, atrains could quickly develop within the government of national unity. Though Mr Mandela tried to include several parties un his cahinet - even those who did not qualify for seats under the power-sharing constitution - this could work more to his advantage than theirs. In government, collective cabinct responsibility will farce them to stifle criticism except in matters grave enough to provoke resignation.

n his victory speech last week, Mr Mandela made clear that his definition of a government of national unity is one in which he gives the orders and nibers nbey - especially when it comes to implementing the ANC'a plan for black upliftment. the Reconstruction and Develop-ment Programme. Under the consti-tution, Mr Mandela is required to try to seek consensus on cabinet decisions; but if he cannot find it, he may act alone. When faced with a conflict of interest between his core constituency, blacks, and white privilege, he will have a hard choice to make.

The carefully crafted gestures of reconciliation which marked his election campaign will then be tested for content as well as form: the hand stretched out to Mr de Klerk in their televised debate, the embrace for Chief Buthelezi on the floor of the new national assembly. provided the visual equivalent of sound bites. The next few months will tell whether they were indeed genuine, if not quite spontaneous,

In the months and years to come, he will be called upon to implement the promises made from the dock 30 years ago: "It is not true that the enfranchisement of all will result in racial domination. Political division, based on colour, is entirely artificial and, when It disappears, so will the domination of one colour group by another. The ANC bas spent half a century fighting against racialism. When it triumphs it will not change

that policy."
Perhaps these will go the way of all politicians' promises, and be vithdrawn by a President Mandela toughened and strengtbened by power. And ironically, racial rela tions could actually worsen rather than improve with the end of apartheid, as beightened black expectations are inevitably frustrated and affluent whites take the hlame.

But luckily for South Africa, reconciliation does not in the end depend on the good intentions of one man and his organisation. South Africa's disparate peoples may share nothing in the way of race, language, ethnicity and ideology, but they recognise a common danger which unites them: the risk of mutually assured destruction. A capricious history brought them from Holland, India, England, Scotland. France and other parts of Africa; but over the past two weeks thay have finally come tn acknowledge that they share a common fate.

As the benevolent glow of the past twn weeks fades from memory, that fact will remain. Mr Mandela the statesman, Mr de Klerk, the pragmatist, Gen Constand Viljoen, the soldier, and Mangosuthu Buthelezi, the chief, all accept a common truth: they cannot live without each other. They may not like the new South Africa, but they are stuck with it. There is no turning back.

into short-term political controversy. That makes it harder to win

larly in inner-city schools.

Large giblets and fries

So there is an after-life for spit-roasted chief executives. James Robinson, former boss of American Express, has resurfaced - on the board of a rotisserie chicken chain. From a renowned southern family himself, Robinson should know all about finger-lickin' chicken. The job complements Robinson's other directorship, at Coca-Cola.

In business for 21/2 years, Robinson's new interest - the Kenny Rogers Roasters, named after the country music star - has 144 outlets. Its aim? Why, to become the US'a biggest rotisserie chain - in competition with Boston Chicken, of course. Robinson rubs shoulders with

some alluring names on the

Roasters' board: J.P. Bolduc, chief executive of W.R. Grace: Drew Lewis, a former Reagan transport secretary, and Darien Iacocca, wife of former Chrysler boss Lee. He could also pick up a few tips from another board member, Harvey Mackay, who lists among his book credits "Swimming with sharks without being eaten alive".

Dial-a-stick

■ Britain's Foreign Office can perhaps be forgiven for drawing a blank in trying to contact British nationals by telephone in Aden,

southern Yemen, where a confusing battle has been raging. For the southern Yemenis, in offensive" against their northern enemies, have changed all telephone area codes to their pre-unification digits. They have also declined to tell anyone what the new/old codes are. This cuming plot fell foul of a

non-digitalised telephone exchange worker in Aden. He informed a British Airways employee, who in turn contacted London. There, the news spread swiftly to the small community of Indians originally from Aden, one of whom informed the Foreign Office. The moral? You never know

when you might need your cleft

Orders are orders Old lags never forget. Nelson Mandela has invited two of his former jallers and an ex-prison chef to be his personal guests et today'a

presidential inauguration

ceremony. James Gregory, who became a combination of friend, confidente and valet during the 25 years Mandela was in his charge, retired from the prison service last year Alongside will be the head chef of Victor Verster prison, Jack

Gregory had one problem with the invitation, which includes a chartered flight to Pretoria - ha

(BANX)

OBSERVER



can't stand flying. But he is going none the less: "I have to view this sudden invitation from the president-elect as an order . . . I can't \$37 DO."

Beastly fortune

■ What's the connection between Pope John Paul II'a broken hip and the governor of Hawaii's broken

No joke this, but high-lavel diplomacy. It turns out Hawaii's governor was due to attend a beatification ceremony in Rome on May 12 of the Belgian priest, Damien de Veuster, who established Hawaii's leper colony on the island of Molokai in 1873. But now the pontiff has mobility

problems be has cancelled the ceremony, costing some London hacks a promising lunch at the Hawaii Visitors Bureau in London. The governor had hoped to brief them on his domain, but decided to abort his mission after the Pope cried off.

Rhodes Colossus ■ With the round of debt

restructuring deals triggered by Latin America's debt crisis coming to e close - well, for the time being - perhaps Citicorp's vice-chairman William Rhodes, should make himself known to the compilers of the Guinness Book of Records. He has negotiated with 41 finance ministers, 35 central bank governors and 35 chief debt negotiators. Those deliberations have collectively restructured \$500bn of debt - some of it more than once.

Knightmare ■ The troubles of the UK Tory party may have helped paper over

the cracks in Britain's opposition

But a brief skirmish at yesterday'a annual meeting of MSF, Britain's fifth biggest trade union, suggests that Labour party leader John Smith ought to enjoy his

honeymoon while it lasts.
The MSF rescued Smith last year, when he was in danger of losing his battle over one-member, one-vote in selecting parliamentary candidates. Yesterday, "Red" Ted Knight, once Labour leader of the rebel Lambeth council, along with a comfortable majority of MSF members, passed a motion condemning the MSF delegates who had belped bail out Smith at the last moment,

Standing up and being counted alongside Red Ted was Dave Nellist, the former Coventry MP expelled from the Labour party, and Jim Mortimer, the Labour party's former general secretary.

OK Okie

■ A tip for society bostesses preparing for the arrival in London of Admiral William Crowe, the new ambassador to the Court of St James, President Bill Clinton'e recent problems mean that Arkansas jokes are in poor taste, but jokes from the neighbouring state of Oklahome are perfectly acceptable - provided they are told by the admiral, a native of that

Here's one of Crowe's favourites. A widow attending her husband's funeral is taken aback by the enthusiastic eulogy the preacher

is delivering. She turns to her son and says: "Just take a look in the casket and see if that really is Daddy in there." US pressures set to ease as trade figures peak | Left wing

Japan's current account surplus falls to \$15.76bn

By Paul Abrahams in Tokyo

Japan's current account surplus, the source of friction in relations with the US, could have reached its peak, the Ministry of Finance predicted yesterday.

The surplus fell 16.1 per cent to

\$15.76bn in March, with exports up 5.3 per cent at \$35.6bn and imports up 10.3 per cent at \$20.4bn. In addition, both the current account and trade surpluses declined in yen terms during the 1993 financial year, the first drop in three years, according to fig-ures published by the ministry

"Japan'e current account surplus appears to be peaking now," ministry officials said. "The downward trend is obvious in yen terms, and seems to hold true even in dollar terms if fig-

ures are compared on a quarterly not monthly basis, which is more susceptible to fluctuation." But officials warned that the

politically charged dollar figure was dependent on exchange rates and the price of oil, which has been rising in recent weeks. Japan is an oil importer, and higher oil prices in recent weeks have been a reason for the shrinking surplus.

The figures will provide some relief for the US in the struggle over Japan's current account surplus. This climbed to another record during the year to March, from \$125.9bn in 1992 to \$130bn. Tokyo has come under sus-

tained pressure from Washington to boost its domestic economy and deregulate to generate increased imports. Exports last year rose 6.1 per cent to \$355bn, outstripping imports, which dropped 6.9 per cent to \$213bn. In yen terms, the current account surplus fell from a record Y15,600bn (£101bn) to Y14,000bn with exports down 8.2 per cent at Y38,300bn and

imports down 7.6 per cent at The ministry also released details of Japan's customscleared trade surplus during the first 20 days of April, which widened to \$4.75bn from a revised \$4.61bn surplus in the same

period a year earlier. The continuing weakness of the US currency played an impor-tant role in the rise, with the dollar at Y104.7 over the period, against Y115.9 a year earlier. Imports increased by 11.8 per cent to \$15,26bn, while exports rose by 9.6 per cent to \$20bn.

Oil companies evacuate staff from war-torn Yemen

Yemen'a civil war, which has prompted the emergency evacua-tion of most foreign oil company expatriates, threatens to deliver a serious blow to an industry long seen as central to the country's economic prospects, oil execu-

tives said yesterday.

As BP, Shell, Lasmo, Clyde,
British Gas and other western oil groups yesterday completed the evacuation of their staff from Sana'a in the north and Aden in the south, executives at many company headquarters said that, whatever the outcome of the fighting, there was a growing dis-illusionment about oil prospects in the country.

A large number of foreign countries entered into exploration contracts with Yemen after its unification in 1990.

Optimism peaked two years ago, when more than 20 companies rushed to conclude exploration deals. These were mostly in the south, after Canadian Occidental discovered viable fields in the Masila area, the north-west corner of former South Yemen. 150,000 barrels a day from the area, production which the company says will continue despite

CanOxy's find followed the dis-

Fledgling industry faces setback from which it may never recover

coveries in the mid-1980s by Hunt Oil, the Dallas-based group, in North Yemen. Yemen Hunt Oil produces most of the rest of Yemen's present output, about 320,000 b/d. It has also said production would continue.

Despite heady predictions that Yemen might eventually be capable of producing 1m or even 2m b/d, Yemen's rugged south has failed to deliver on its apparent

"There's been a very signifi-cant spate of drilling," says the head of one western oil group active there. "But the results have been singularly disappoint-

Another oil company managing director, who said the war might prompt many disappointed com-panies to pack their bags, added: It's now likely, particularly with this setback, that Yemen will be left only with Hunt and Can-

At least two companies said expected to close their operations before the end of this year, given disappointing results and the country's heightened political

CanOxy, which is continuing to explore around Masila, has

already scaled down any expectations of further big finds. Shell, which has completed drilling in its concession, would say only that it would "need to look at

where we go from here". Clyde, the UK-based oil company, said yesterday it had received "some encouragement" from early drilling in its Masila concession and had no intention of leaving. "We're still optimis-tic," a Clyde spokesman said.

Nevertheless, diminished pros-pects for Yemeni oil are a serious blow to whatever political arrangement arises from the fighting in the Arabian Peninsula's poorest and most populous

It perhaps most seriously undermines the economic hand of Mr Ali Salem al-Beidh, the embattled southern leader, who would have depended heavily on oil to support greater economic lowing his disillusionment with the four-year-old union with the

Germany considers ban on British beef

Continued from Page 1

Sa

Aц

bus

Mo Reg

-can

Fin

Mo

Reg

Eng

inte

Hei

₽ F

5

= S

m F

m I

Mu

else use

as v

adv The

is a

to c

izve Įzve

Pablia Numb

RE

Plets FT C Cumi Sales Edito

NA

CO)

PO

Office Re

PAY:

Fleet
Conf. Conf.

I

first instance, she said. "We have always said we would prefer to find a common solution for this BSE problem." Mr Dieter Vogel, German government spokesman, said yesterday.
"If that is not possible, then we have to find a unilateral solution. It may be that the cabinet will decide on this on Wednesday."

Europe today

High pressure over northern Europe will

sunny with above normal temperatures. Germany, the Low Countries and France will be sunny with only an isolated shower in the

Alps. Spain and Portugal will be sunny,

showers from an Atlantic low pressure

High pressure in the north will persist, resulting in dry conditions in Scandinavia and

Five-day forecast

warmer and sunnier.

TODAY'S TEMPERATURES

except for north-west Portugal where cloud will prevail end rain is likely. England will have sunny periods, but Ireland will have cloud and

system. Parts of south-east Europe, including Greece and southern Italy, will have some

heavy showers, especially during the afternoon. It will be unseasonably cool, with maximum temperatures below 20C in some

much of central Europe. Low pressure from the Atlantic will draw much cooler air into

Spain and France, giving rise to thundery

showers over Spain, France and the Low Countries. South-east Europe will become

extend over central and western Europe. As a result, Sweden and Finland will be mainly

EU agriculture ministers considered further measures to restrict the circulation of British beef at their last meeting in Luxembourg, but EU members other

with Britain's response. The ban being proposed by Mr ehofer would affect the import of all British cows more than three years old, and any younger animals which come from herds

than Germany were satisfied

BSE-free for at least four

argues that scientific research cannot exclude human infection with BSE. "No responsible politician can allow even the slightest risk to occur, given the awful consequences of a possible infec-tion of human beings with BSE," he said.

FT WEATHER GUIDE

Observer, Page 15

The German health minister

pledges support for González

By Tom Burns in Madrid

socialist party has come to the aid of the scandal-hit government after enduring months of ostracism following prime minister Felipe González'a narrow election

party leader whom Mr Gonzalez has tried hard to isolate, has perthe embattied prime minister. The astute Mr Guerra timed what to greater influence in the party with the dramatic departure from parliament of judge Baltasar Garzón, the best-known magistrate

Mixing sorrow and anger in his resignation etatement, Judge Gazzón said he had been prom-ised support and responsibilities to combat corruption but that neither had materialised. An independent who was personally co-opted by the prime minister to stand on the socialist ticket in last June's election, Judge Garzón bitterly said he had been

His agreement to stand as a socialist candidate alongside Mr González last year played an important part in the prime minister's successful bid for a fourth term in office despite widespread public discontent.

while, seeking a candidate for the key job of socialist parliamentary leader to replace Mr Carlos Solchaga, a former finance minister and the most prominent of the party's free marketeers, who resigned from the job at the end of last week.

Mr Solchaga, with Mr Gonz-ález's backing, had cleared left-wingers from many positions of influence in the parliament last year but his successor is now likely to have to be acceptable to

Mr Guerra. The drive towards consensus following the departure of Judge Garzón and of Mr Solchaga, both of whom were equally controversial in the eyes of the deputy prime minister's supporters in means the return to the political centre stage of the guerrista fac-

The resurgence of Mr Guerra's supporters in the midst of the

The left wing of Spain's ruling a year ago. Mr Alfonso Guerra, the deputy

sonally signalled his support for may mark the return of the left in the country, who said he was resigning his socialist seat ecause Mr González was not doing enough to curb corruption.

used "as an electoral ploy".

The prime minister was, mean-

scandals surrounding the government was further evidenced at the weekend in regional socialist party congresses in Madrid and Aragón. In contrast to similar congresses in recent months which marked a guerrista retreat. the left wing was able to negotiate a strong position at both con-

ventions.

In a tell-tale sign that the pendulum has swung back, Mr Jose Maria Benegas, a leading guerrista, has been entrusted with running the party's campaign in the European elections next

THE LEX COLUMN

Choice in the pipeline

Ms Clare Spottiswoode, the gas regulator, has been true to her word. Not only has she put an end to the government's dithering over publish-ing their joint consultation document on how the domestic gas market should be opened to competition. More mportant, the framework set out in the document constitutes, as promised, a level playing field. British Gas's rivals will not be able to "cherry pick" the best customers. The company will, of course, have to cut costs even faster if it is to earn reasonable profits from this market once its monopoly is abolished. But rivals will not be given the

same regulatory assistance that they received when the contract gas market was opened to competition. At the heart of the document is a political fix: Gas's transportation arm will levy on both Gas's supply arm and its rivals an annual standing charge of £25 per customer. This level has been chosen so that, once the sup-ply arm's fixed costs are taken into account it will not have to put up its standing charge to customers of £37. So ministers do not need to worry about granny facing a higher gas bill. But the fix also means that the margin on supplying all classes of customer will be the same rather thin one. If there is any cream to skim, rivals will have collect it with skill rather than

scooping it up in ladles.

All players will have to meet the same regulatory requirements as Gas on matters such as security of supply and disconnection. That should keep the quick back cowboys out of the market. And though Gas's transporta-tion arm may retain back-up roles for safety and security of supply, it will be paid a commercial rate for doing so. Gas's prospects still depend on a further Ofgas document setting out the price formula for transportation. But the bull case is unlikely to alter. Ms Spottiswoode has shown herself to be rational and fair once. She can be expected to do so again.

Perhaps it was because the market was expecting an appetising deal from Associated British Foods - in the form, say, of the acquisition of Allied-Lyons' food business - that its shares fell more than 2 per cent yesterday. The restructuring of the Weston family holding has no bearing at all on the company's operating performance. Outside shareholders are being offered a 10p sweetener from the family's coffers to persuade them to read

FT-SE Index: 3097.8 (-8.2)

Associated British Foods



that accompanies the deal. Admittedly, the ultimate effect on the share price may be marginally negative. After two years, family members will be free to sell their shares and the overhang may reduce their rarity

Yet all this is still a long way off. Similarly, the recognition that the family ownership structure needs to be adjusted to meet the needs of a new and younger generation also serves as a reminder that Mr Garry Weston will not be at the helm for ever. But there is no question of the family relinquishing control. The long term approach which has characterised management decision-making in the past seems set to continue.

Mr Weston was keeping his own counsel yesterday on the subject of acquisitions. ABF itself, though, will have just as much cash after the deal as It did before: the cash which is flowing back to family members comes from their GWH holding company rather than ABF.

Having already accumulated £500m, ABF cannot afford to keep on piling up cash indefinitely. On the basis of April's purchase of Bibby's feed milis, agribusiness looks more enticing than Allied's food business which would make ABF more vulnerable to margin pressure from

Kemper

Kemper's decision to open its books to bidders looks wholly pragmatic. Management must have reasoned that it would be better to bow out grace-fully than run the risk of being evicted

the shareholders meeting originally scheduled for tomorrow. Yet it is diffi-cult to see where a white knight will come from.

Mr Sanford Weill's Travelers would have been an obvious suitor. But its recent acquisition in insurance and sagging share price must have doller its appetite for big deals. Kemper business mix complicates matters. Any US bank interested in mutual funds would have to divest the life insurance operation for regulatory reasons. Neither is there a long list of potential European bidders. Banco Santander, which already has a small stake in Kemper, has its hands full with the rescue of Banesto. Most European insurers with ambitions in US retail savings are either too small or have other strategic priorities.

It is always possible that the invest

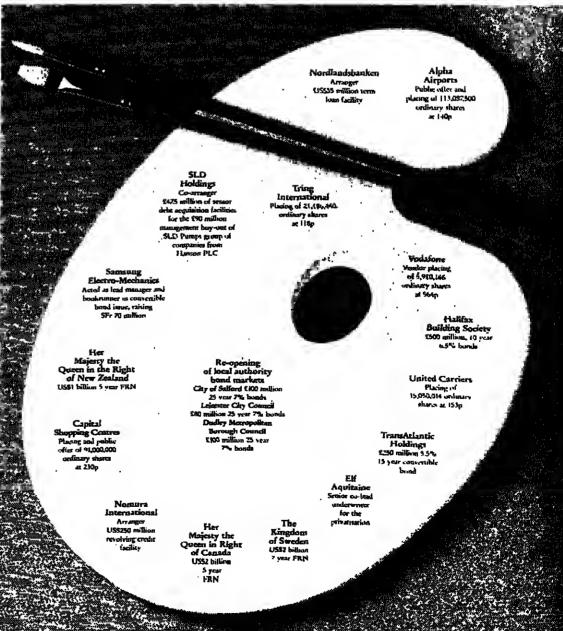
ment bankers will find a way of dis membering Kemper, especially if a buyer for the troubled property portfolio can be found. But splitting the group is unlikely to release much value for shareholders. The breadth of Kemper's product range may actually be an asset, allowing it to sell both mutual funds and annuities depending on market conditions. On that reason ing, the group is worth more to GE Capital than the sum of its parts.

US bonds

Having failed to tighten monetary policy yesterday, the Federal Reserve has little leeway before the end of the veek. Barring a rate increase first thing today, it could not act without disrupting the Treasury's \$29bn bond market refunding operation which takes place over the next two days. Concern about the impact on the bond market of another rate increase may have held up any move yesterday, but the Fed is between a rock and a hard place. If the dollar falls because the authorities have done nothing to back up last week's intervention, the bond market will probably weaken

Indeed, the nervousness of both cur rency and bond markets argues increasingly for a substantial tightening when it finally happens. At cur-rent yields, US bonds offer fundamental value, but overseas investors are reluctant to jump in because of the Fed's gradualist approach. Only when the tightening process is perceived to be complete are overseas buyers likely to return in force. The resulting capital inflow might help the dollar too.

The art of success.



In international transactions this year, UBS has shown it has the power and skills to ensure a successful outcome.



shen by UBS Limited, a member of the SFA. UBS Limited, 100 Liverpool Street, London ECAN JRI.



Chicago Cologne D' Salas Daker Dallas Delhi Dubai Dublin

28 22 19 33 14 25 31 25 9 19 21 25 22 29 20 19 25 21 22 24 21 3310 24 21 23 24 30 21 22 18 20 28 28 10 10 23 23 10 24 14 18 20 Edinburgh Fero Frankfurt Geneva Gibraiter Glasgow Hamburg Helsinki Hong Kong Honolulu Istanbul Jersey Kerachi Kuweit shower
fair
fogg
drzeir
fair
fair
fair
fair
shower
sun
fair
sun
cloudy sun shower shower fair tair cloudy fair sun S. Fiveo Seoul Seoul Seoul Seoul Streetholm Streetholm Streetholm Streetholm Streetholm Tokyo Toronto Vanico Vienna Warsaw Washington Wallington Wallington Wallington Surich cloudy sun rain sun rain cloudy sun sun fair fair tair Las Peimas Lima Lisbon London Lucbourg





FINANCIAL TIMES

COMPANIES & MARKETS

OTHE FINANCIAL TIMES LIMITED 1994

Tuesday May 10 1994



IN BRIEF

CS Holding goes cold on bank deal

It is unlikely that CS Holding, the big Swiss international financial group, will pursue its interest in buying from the Austrian finance ministry a large part of its controlling stake in Creditanstalt-Bankverein, the country's second-largest bank. Page 18

State sells 70% of Air Jamaica The Jamaican government has sold 70 per cent of Air Jamaica to a consortium of local and Canadian investors for US\$26.5m - a further 5 per cent will be offered to employees with the government retaining 25 per cent. Page 20

AGF to forge link with SocGen Assurances Générales de France (AGF), one of France's largest insurance groups, is to forge closer links with Société Générale after its privatisation, rather than Crédit Lyonnais. Page 20

Berliner Bank to raise divided Berliner Bank, now Germany's sixth largest bank following its merger with two other banks, has said it will raise its dividend by DM7 to DM9 on last year's high partial operating profits and operat ing results. Page 21

Tough year for Traub and Heckert Last September's union of Traub and Heckert, two German machine-tool makers, took place against the background of one of the worst recessions in many years – but nobody said it was going to be easy. Page 21

Meridien Biao plans African expansion South Africa's transition to democracy is encouraging at least one pan-African banking network to expand through the continent, Page 22

Rise of a Malaysian businessman Since relatively modest beginnings of a corporate career in bicycles in the early 1980s, Mr Tajudin Ramli now plans to take over the running of Malaysia Airlines (MAS). Page 22

N Brown profits increase 18% N Brown, the UK's Manchester-based direct mail order group which specialises in clothing for older women, yesterday reported an 18 per cent increase in full year pre-tax profits. Page 24

Babcock ends year with £41m deficit Babcock International, the engineering contracting and materials handling group, has announced pre-tax losses of £41.2m (\$60.15m) for the year ended March 31, compared with a profit of £2L1m (\$30.8m) last time. Page 24

Pausing for breath at 8&J Shareholders in Brown & Jackson, UK owner of the country's loss-making Poundstretcher chain, have several weeks to weigh rival offers for the group, following an adjournment of the egm called to approve a capital injection by millionaire couple the Weisfelds. Page 25

Shares in Costain, the UK construction and mining group, fell almost a tenth yesterday following a warning that US coal profits had been hit by bad winter weather and operational problems for the first three months of this year. Page 25

Companies in this issue

companies in	THE IS	<u> </u>	
AB Foods	17, 24	Hambro Countrywide	1
AGF	20	Heckert	2
API	24	Hindustan Motors	2
Ahold	12	Holderbank	1
Air Canada	24	Kemper	1
Air Jamaica	20	Kingfisher	1
Automotive Precision	24		2
BCP	12		1
BPC	24		2
Babcock Inti	24	MAT 0	2
Banesto	20		2
Bankers Trust	18	Meridien Sizo	2
Berkner Bank	21	Nestlé	*
Brit Midland Airways	24	PG&AI	2
Brown & Jackson	25	Parkland Group	2
Brown (N)	24		- 2
Aums Philip	22	r opinor	2
CGIP	17	Prowting	2
CS Holding	12	RJR Nabisco	1
Cedest	17	Hoyai Bank Scottano	3
Chartwell Land	25	Sidlaw	
Comwell Parker	25	SOCIETE CHINETER	- 3
Costain	25	SOURCES & CHOICE IND	2
Crédit Lyonnais	20	SWISS LIE	
Creditanstalt	12	I ADGCARGE &	
DCC	25	I DOLL I DIOSON DE LA CONTRACTOR DE LA C	- 3
Daimler-Benz	17	. 4	
Dreyer's Ice Cream		Transamerica Traub	
Ban Corporation			- 1
Electron House	25	Usborne Volvo	
Expirtn Co Louisiana		WM Company	
GE Capital	17		•

Market Statistics								
Benchmark Govt bonds Bond tutures and options Bond prices and yields Commodities prices Dividends announced, UK EMS currency rates Eurobond prices Fired interest indices Fire World Indices Back P		Foreign exchange Gills prices Litta equity options London share service London tradi options Managed funds service Money mariests New Inti bond issues Recent issues, UK Short-serm int rates	Back Pag 28-2 Back Pag 30-3 3					
FT Gold Mines Index Back P FT/ISMA Intl bond svg	23	US interest rates	2					

FRANKFURT	(D M)			PARIS (FFV)			
Rings Goldachenidt	850	+	10	Gauphysique	599	+	22
MAN	450	Ŧ	5.5	Soc Generale	634	+	7
rafts		•		Patte			
Bayer Vereins	492.5	_	125	AXA	1353	-	35
Dairpler Benz	879	_	12.5	Cred Lyon	512	-	13
Leithait	780	_	20	LYMIN	894	-	28
Wole.	935	_	20	Michelin B	240	-	10.0
NEW YORK (9			TOKYO (Yen)			
Pilses	-			Rives			
Keraper	59%	٠	234	General Seldya	1250	+	30 30
McKesson	76		4	Shows Shell	1410	+	30
Schering-Plough	63%	+	-	Symbomo Metal	901	•	5
Palle				Fello			
Gan Elec	95 X	-	114	Dai-Ichi Kangyo	1930	-	20
Philip Morris	50%	-	176	Sony	5610	-	90
RJR Nableco	8	-	*	Toyota Motor	1960	-	20
New York prk	:es at	12.3	Q.				
LONDON IPe	nce)						
Rises	•			Canadian Pizza	107	-	6
Alphamento	42	+	4	Castain	3014	-	2
Body Shop	244	+	7	Fr. Dinner	947	_	20

Dalmler-Benz, Germany's biggest industrial company, is planning to place \$250m-\$300m worth of new shares in Singapore when it holds its long-awaited rights issue later this year, the group's finance director said yesterday.

Speaking before Daimler-Benz was today due to become the first German company to acquire a listing on the Singapore stock exchange, Mr Gerhard Liener said the planned share placement would be part of the car to aircraft group's strategy of interna-

tionalising its shareholder base. Last year Daimler overcame German industry's traditional objections to US-styla accounting disclosure and became the first German company to obtain a full listing on the New York Stock Exchange, the world's largest capital market.

The group plans further list-ings in Madrid, Milan and Shanghai. Mr Liener said in Singapore yesterday. "With Singapore we have decided to introduce our stock on the most dynamic capi-tal market in this region of the

plans in Frankfurt last week.

Weber claimed.

towards 40 per cent.

Mr Weber says the transition

to the private sector will allow

Lufthansa to undergo a metamor-

phosis as spectacular as that of

state-carrier which has evolved into one of the world's most suc-

cessful airlines since it was priva-

Mr Weber, an engineer who

became the airline's chief execu-

tive in 1991, believes that the

world airline industry, still groaning with overcapacity as it

emerges from years of heavy

losses, is due for further rational-

isation and concentration. By the end of the century, the industry will be dominated by a small

number of internationally com-

A private sector Lufthansa will

Although the stock market did

not appear to share Mr Weber's

cotimism last week - Lufthansa's shares dropped 6.5 per cent on Thursday to DM206.50 - this fol-

lowed a long period of outper-formance for the airline's shares, which have more than doubled

since the beginning of last year,

reflecting investors' enthusiasm

for Mr Waber's rationalisation

Tha restructuring began in 1992 after the airline incurred a

be one of the survivors, Mr

tised in 1987.

petitive airlines.

Waber maintains.

Mr Liensr explained that Daimler-Benz hoped to raise up to \$2bn from the issue of new shares, of which at least 10 per cent would be placed in Singapore. The cash is required to finance the group's growth and the issue would take place later this year. Daimler disclosed

Whila 30 to 35 per cent of Daimler's shares are owned outside Germany, the group is pursuing further internationalisation partly in order to support geographical expansion of its core ing would support its rapidly growing sales in south-east Asia revenues in the region rose 36 per cent to DM1.6bn (\$930m) last

As part of its expansion, Daimler is planning to open a Regional Parts Centre in Singapore. This would provide support for the group's commercial vehicle activities in the region.

Mr Liener said the group expected to double its sales of commercial vehicles in Singapore, Thailand, Malaysia, Talwan, Hong Kong and the Philippines this year. The group has also received official permission to start assembling buses and commercial vehicles in Vietnam, said Mr Lie-

While Daimler has been roundly denounced in Germany by other large companies for its unilateral move in listing its shares in New York, German pri-vate and public sector institu-tions are making increasing use of foreign investors as a source of finance. The most recent example is Dresdner Bank's international placing of new shares to raise DM1.14bn, concluded last Friday.

Swiss bid values Cedest at FFr2.6bn

By lan Rodger in Zurich and

Holderhank, the Swiss-hased international cement and aggre-gates group, is making an agreed bid for the cement, ready-mixed concrete and aggregates operations of Ciments et Engrais de Dannes et de l'Est (Cedest),

for FFr2.6bn (\$456m). The takeover, which is subject to approval by the French and Enropean Union anthorities, wonld double Holderbank's cement capacity in France. It would also raise its market share in northern France from 25 per cent to 35 per cent. However, it would still leave the group ranked third after Ciments

Lafarge and Ciments Français. The plan is for Holderbank to acquire 84.1 per cent of the share capital of Cedest from Compagnie Générale d'Industrie et de Participations (CGIP), at FFr2,000 per share ex-dividend for a total of FFr3.6bn.

Holderbank would simultaneously sell the abrasives and fertilisers business units of Cedest back to CGIP for FFr1bn.

Then, once official approval was achieved, It would make an offer on the Paris bourse to Cedest minority shareholders at

the same price.

Holderbank said the acquisi-tion would "round off" its holdings in France. Cedest is France's fifth-largest cement producer with a total annual production capacity of 2.7m tonnes. It also owns a cement grinding station on the island of La Rénnion with annual capacity of

400.000 toones. In 1993, it sold 2.1m tonnes of cement, 1.7m tonnes of readymixed concrete and 3.2m tonnes

of aggregates. For CGIP, the Cedest deal forms part of a programme of asset sales. The French group has for some months been trying to generate capital to replenish last year which lifted its holding In CarnandMetalBox, the

Anglo-French packaging group. CGIP has a string of other investments, including a stake in Cap Sogeti Gemini, the computer services concern. The group ear-lier this year raised FFr994m from a convertible bond issue.

The Cedest disposal has left CGIP with a "war chest" worth around FFr3bn, according to the company. It said it planned to use its cash to "further develop" its role as an "entreprenenr investor" in manufacturing industry and the service sector.

Daimler in \$250m Singapore placing

David Waller reports on state-owned Lufthansa's privatisation plans

offer

seek higher

By Richard Waters in New York

Kemper

advisers

Advisers to Kemper, the US investment group, were contact-ing other possible bldders for the company yesterday in an attempt to elicit a higher price than the \$60 a share offered by

GE Capital. The company's board bowed to pressure over the weekend from GE Capital to agree a sale, after the financial services arm of General Electric raised its bid from \$55 a share.

"We are hoping that we will get more than \$60 a share - pos-sibly much more." Kemper said. It added that it had received "several approaches" from potential bidders after GE Capital first announced in March its interest in acquiring the company, though it was premature to judge whether or not any of these companies would make a

However, Kemper's share price failed to rise above \$60 yester-day, a sign that few traders think the investment group will attract a higher offer. The price reached the level of GE'a bid early in the morning, before slipthe day of \$2%.

The mix of Kemper's business

and the fact that GE Capital has offered \$2.4bn in cash, has left many traders convinced that the GE financial services arm will win control.

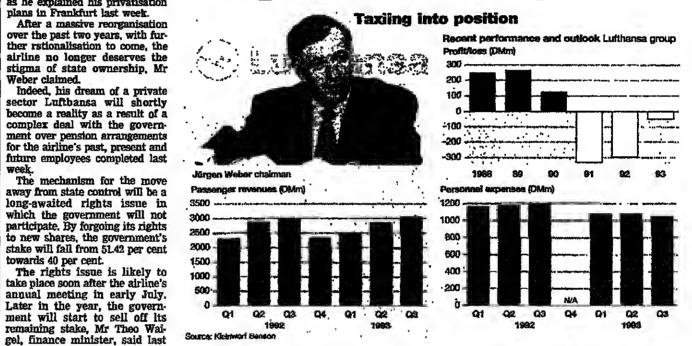
Kemper's prize assets are its life insurance business and its mutual funds. Its \$1.7bn property portfolio and a struggling retail stockbroking network, bowever, make it unattractive to many financial groups, which are still shaking off the effects of the late-1980s property crash.

Other hidders could find It hard to match the all-cash element of the deal, and the share prices of most US financial groups have been under pressure since the Federal Reserve began raising rates in early February. undermining their stock as a

Travelers, the acquisitive financial services group headed by Mr Sanford Weill, has been seen as the most likely rival bid-der. Mr Weill recently foresaw further consolidation among insurance companies and fund management groups in the US, and did not count out Travelers out as a buyer. However, the company (formerly known as Primerica) is still digesting two big acquisitions made recently -the takeover of the Shearson retail broker and the shares it did not already own in the Travelers insurance company.

here is nothing Mr Jürgen Weber, chief executive of Lufthansa, dislikes more than hearing the German airline described as "state-owned".

Germany's airline ready to spread its wings "It suggests that we are inflexi-ble and bureaucratic," he fumed as he explained his privatisation



reduced its costs by DM1bn in 1992 and by a further DM500m last year, leading to a 15 per cent increase in productivity.

force from 48,000 at the beginning of 1992 to below 40,000 now and reduced the cost of materials by DM350m a year. The aim is to cut costs by another DM500m a year

• The airline introduced new measures to boost revenue, ranging from encouraging higher standards of customer service to introducing products such as the Miles and More frequent flier programme. These measures helped the air-

line increase the number of passengers carried last year by 3.8 per cent and the volume of freight by 5.4 per cent. This offset falling prices, and turnover for the parent company was flat at DM15bn, the same as in 1992. A new approach to partner-ship arrangements with other air-

"Rather than seek to do everything on our own we decided to grow in co-operation with other airlines," said Mr Weber.

The most tangible example of the new strategy was the link-up with United Airlines from the beginning of the current year which gave Lufthansa a long sought-after transatlantic part-

pre-tax loss of DM300m (\$175m) in the previous year. "Wa were on the brink of running aground." The full impact of these mea-Mr Weber said. "It was essential to put the ship back on the right sures on the airline's financial position will become more clear next week when Lufthansa releases Its 1993 group-wide fig-ures. A hint of what is in store Mr Weber explained the threepronged strategy for guarantee-ing the airline's survival: was provided in March when Lufthansa announced that the • Cost-cutting. Lufthansa

parent company cut its losses that they are itching to do a lot more to reduce costs." to DM50m last year while net losses dropped from DM372.8m to

As for the current year, Mr Weber said that the airline enjoyed better than expected results in the early part of 1994 and was on course to break even at an operating level for the full

The spectacular share price performance over the past 18 months hints at greater things to come. "With the government as majority shareholder, the airline is still operating with one hand tied behind its back." said Ms Nuala Corry and Mr Graham Moynes at NatWest Markets in London. "One gets the feeling

Mr Andrew Barker at SG War-

burg in London says further cuts high by international standards -at \$54,440, labour costs per employee are 15 per cent higher than BA and 19 per cent higher than at KLM.

Aware of the political sensitivi-ties of cutting jobs. Mr Weber says that the main impact of privatisation will be "the psychological effect on employees and customers", not the opportunity to cut costs. But he is acutely aware of the harsh competitive environment in which airlines operate and a private-sector Lufthansa is likely to make further swingeing iob cuts.

This announcement appears as a matter of record only

COMMERCIALBANK OF GREECE

Commercial Bank of Greece S.A.

US \$200,000,000 Sale and Repurchase Facility

Arranged and Lead Managed by The Mitsubishi Bank, Limited

Co-Arrangers and Lead Manager

Lead Manager

ING Bank

Crédit Industriel et Commercial

BAÇOB Ireland p.l.c.

Banca CRT SpA, London

Standard Chartered Bank Bank of America NT&SA

Generale Bank S.A./N.V.

Société Générale, London Branch

Credit Suisse

Deutsche Bank Luxembourg S.A.

Nomura Bank Nederland N.V.

Gulf International Bank B.S.C.

Со-Маларем

UBAF Bank Limited

Den Danske Bank

Lyonnaise de Banque

Rabobank Nederland, London Branch Facility Agent

The Mitsubishi Bank, Limited

March 1994

Weston family plans big share shake-up at AB Foods

man. Mr Garfield Weston had

nine children, all of whom are

still alive. The fourth of these is

Mr Garry Weston, chairman of

AB Foods, and himself the father

of six children, three of whom

work for AB Foods. About 40

family members are involved.

By Maggle Urry In London

Minority shareholders of Associated British Foods are to be offered equivalent shares in a newly quoted company and a 10p a share special dividend as part of the reorganisation of tha group's ownership. The milling, baking, sugar and other food products group is controlled by a hierarchy of private companies and trusts and a charitable foun-

The reorganisation is part of the Weston family'a dasire for better long-term financial planning. Much of the family's substantial wealth is tied up in two unquoted companies, Wittington Investments and George Weston Holdings, the latter having £230m (\$335m) in cash which cannot be passed to family members in a

:1

turned 67. His younger brother, Mr Galen Weston, 53, heads George Weston Foods, a separate Canadian company. tax-efficient manner. The plan will release £130m to Apart from Mr Garry Weston the family and give its members and his children, virtually all the some ahares in the new quoted company which will replace AB and his children, virtually all the family is resident in Canada or the US. The increasing ages of the US. The increasing ages of the US. The increasing ages of the US.

Mr Garry Weston said yester-

The Garfield Weston Foundation, a charity which is the ultiday the family intended always mate controller of AB Foods, will to retain control of AB Foods. increase its indirect stake in the company from 36 to 40 per cent. AB Foods was founded after have served 50 years with the company and 31 as chairman. the First World War by Mr Garfield Weston, son of Mr George Weston, a Canadian business-

eldest son and currently managing director of Ryvita, tha job Mr Garry Weston had at 23. The plan did not meet a warm reception in London and AB

Foods shares fell 15p to 584p. Some ascribed this to disappoint-

Mr Garry Weston admitted the

Foods. They have promised not the nine siblings have made the to sell shares for two years, need for financial planning more to sell shares for two years, except in special circumstances.

> Analysts expect him to remain chairman for at least another four years, by which time he will

> They believe he will be succeeded by Mr Guy Weston, his

ment that AB Foods was not Mr Garry Weston has just announcing a large takeover deal to use its substantial cash hold-

> group was looking at an acquisition in the US, and "other things

Nabisco buys out partner in Spanish joint venture

RJR Nabisco, the US food and tobacco group, yesterday exercised its option to buy the remaining 50 per cent of RJR Alimentación, the Spanish food company that it has managed for the past year as a joint ven-ture with Tabacalera, Spain's state-controlled tobacco corpo-

The purchase of the stake, which values the company at Pta17.25bn (\$125m), signals the end of an ill-fated attempt by Tabacalera to diversify into food production.

The US multinational had until March 31 1995 to exercise its option for the rest of the

Nestlé, the world's largest

foods group, is buying a sub-

stantial minority stake in

Dreyer'e Grand Ice Cream of

Oakland, California, for \$106m. Nestlé has agreed to buy 3m

Dreyer's shares at \$32 a share.

plus warrants to purchase a

further 2m shares at the same

By lan Rodge

price later.

strengthen its European food

RJR Alimentación markets Royal Brands products in Spain. These include leading biscrit and powdered puddings The core Royal Brands prod-

ucts were bought by Tabacalera from Nabisco when the US conglomerate sold off extensive operations, among them its European businesses, in the late 1980s. The sales were designed to pay off debts used to finance a leveraged buy-out by Kohlberg Kravis Roberts, the Wall Street investment

Nestlé pays \$106m for stake

the Nasdaq over-the-counter

The first part of the transac-

tion would cost Nestlé \$106m

and give it the right to name

The two companies bave agreed that Dreyer's will dis-

tribute Nestlé frozen novelties

and ice cream in selected mar-

two Dreyer's directors.

kets from next year.

Dreyer's, which is quoted on names, had consolidated net

in US ice-cream maker

act now is part of a plan to. Pta53bn building up a food division around Royal Brands, taking on canned vegetable units, processed meat firms and juice companies, before deciding that it was more profitable to concentrate on tobacco. In July last year, it transformed its Royal Brands units into RJR Alimentación, a Nabisco-managed joint

Having disposed of its food division earlier than planned Tabacalera, which is 38 per cent owned by foreign institu-tions, is expected to step up a streamlining programme involving staff cuts and the closure of three of its 14 plants.

sales for the 13 weeks to March

26 of \$112m, 9 per cent higher

than in the same period last year. Net income was down

25.7 per cent to \$1.58m, or 11

Dreyer's said it was embark-

ing on a five-year plan to accel-erate the sales of its branded

products. It was increasing its

consumer marketing efforts

and expanding its distribution

cents per common share.

Winterthur lifted by non-life business

By Ian Rodger

Wintertbur, the Swise insurance group, has reported a 31.3 per cent jump in 1993 consolidated net income to SFr324.4m (\$281.7m), due to vigorous growth in non-life business and substantial profits on investments.

The directors are recommending a 14 per cent rise in the dividend to SFr16 a share. Consolidated gross preminms rose 5.6 per cent to SFr16.4bn in splte of the appreciation of the Swlss

Pre-tax profit soared 29.5 per cent to SFr511.3m. In the non-life business, gross premiums grew by 8 per cent and pre-tax profit jumped 30.3 per cent to SFr348.1m. Premiums in the life busi-

ness advanced only 1.6 per cent, due to the recession and exchange rate effects, but the pre-tax profit surged 27.8 per "excellent financial result" and an improved expense

ratio. • Swiss Life, a leading Swiss life insurer, said its consolidated surplus income in 1993 rose 1.4 per cent to SFr1.4m. Earned premiums were np 10.4 per cent to SFr9.3bn and investment income advanced

15.2 per cent to SFr4.2bn. Swiss Life is a co-operative joint stock company and by statute must use its surplus income to improve or reduce the cost of insurance cover.

The directors have agreed to raise the dividend on the quoted participation certificates to SFr7 from SFr6.

Kingfisher chief in 52% pay rise

Geoffrey Mulcaby, executive chairman of UK retail group Kingfisher, a 52 per cent increase in pay to 21.31m (\$1.95m) last year to make him one of the UK's highest-paid directors, writes Neil Buckley in London.

Str Geoffrey, has gained a reputation as one of the UK's most astute retailers through his stewardship of Kingfisher. CS Holding goes cold on bank deal Erste Oesterreichische Spar-Casse (First Austrian) has joined the local consortium formed to bid for a large minority stake in

By Ian Rodger in Zurich

Mr Rainer Gut, chairman of CS Holding the big Swiss interna-tional financial group built around Credit Suisse, may well be wondering if he has been used by Austria's financial establishment.

Speaking in London earlier this month, Mr Gut put an end to months of speculation in Vienna by confirming that his group was interested in buying from the Austrian finance ministry a large part of its control-ling stake in Creditanstalt-Bankverein, the country's second-largest bank. He went further, saying that

f CS bought, say, a 28 per cent stake initially, it would ulti-mately like to take full control of the bank. As he put it: "I do not like to be half pregnant." That brought a dusty response from Creditanstalt's chief executive, Mr Guido Schmidt-Chiari. "We would be the only leading commercial

bank in the developed world

that would be controlled from

The bank's new supervisory board chairman, Mr Walter Fremuth, chimed in. "We do not need to find a partner. We can live without one."

Creditanstalt-Bankverein from the Austrian government, writes Ian Rodger.

Frustration as Austrian government stalls on Creditanstalt stake sale

Earlier this month, CS Holding was confirmed as the finar ministry's preferred buyer for a large part of its 49 per cent holding of Creditanstalt's capital (with 70 per cent of the voting rights).

This sparked renewed efforts in Vienna's business community to prevent Creditanstalt, the flagship bank of Austria's "black" (Conservative) partisans, from falling into foreign hands. First Austrian, the country's fourth-largest and also a "black" bank, said yesterday it was ready to buy "a few per cent" of the

It has long been known that Mr Schmidt-Chiari would like losses twice in the past 15 the finance ministry's stake to

be widely dispersed among domestic and foreign investors. He and his colleagues put together a proposal to do just that last autumn, when Credi-tanstalt shares were still among the most popular on the Vienna stock exchange.

Mr Ferdinand Lacina, the finance minister, rejected the proposal, even though he needed funds from privatisation to prevent the public deficit from reaching unacceptable

Mr Lacina has little confidence in Creditanstalt, and believes that a strong partner is needed to prevent it from

Creditanstalt shares as part of a consortium led by EA-Generali. The bank has suffered huge

> Standard & Poor's, the international credit rating agency, seems to share Mr Lacina's view. It said last week that loss of government control of Creditanstalt, if not replaced by a strong controlling shareholder might have a negative impact on the bank's rating. Creditanstalt directors,

> aware of Mr Lacina's view, have tried in recent months to rally an Austrian consortium. built around EA-Generali, the insurance group, to buy a large part of the government's

This is an outcome that could also satisfy Mr Lacina, as it would eliminate complaints

However, as with other recent attempts to mobilise Austria's conservative finan.

ciers to action, progress has been slow, to say the least. Mr Gut's intervention may have been just the thing to galvanise them into action. The word from the EA-Generali camp yesterday was that a formal offer would be made at the end

of this week. Even if an Austrian offer does not materialise, it is unlikely that CS will pursue its suit. An official said the group would not want to get involved with a bank whose manage-

ment did not want it. CS's recent acquisitions in Switzerland, including the big SFr1.6bn (\$1.1bn) takeover last year of Swiss Volksbank – which, coincidentally, is only slightly smaller than Creditanstalt - have shown that integration can be difficult even when the top management of both sides are fully supportive. Without that support, a take-

over can be disastrous. Again, Standard & Poor's seems to share that view. It said on Thursday that an involvement by CS with Creditanstalt would probably have an adverse effect on the rating

The 5m shares would give Nestlé a 22 per cent stake in Dreyer's, which sells under the Dreyer's and Edy's brand **Bankers Trust replaces WM chief**

By Norma Cohen in London

Bankers Trust, the US-based bank, has replaced the longtime chairman of WM Company, its performance measurement subsidiary, with a senior banking official. The move is aimed at building a "global" business selling its services to other bank clients.

In particular, it would like to offer performance measurement to clients of its global custody operations, which offer safekeeping for securities. WM could expand its client list by offering performance measurement to US and European pension funds, for whom it is the global custodian.

Mr Charlie Kiley, managing director of Bankers Trust Company and vice-chairman of Bankers Trust International, will be chairman, replacing Mr Dougald Eedie, who will remain as a non-executive director. Mr Eadie, who has been with WM since 1968, was chiefly responsible for develop-

ing its computer systems. Mr Kiley will be dividing his time between WM and other

Bankers Trust, which has been reviewing its London operations, has a strategy of pursuing businesses along global lines, "We made the changes because we would like to use WM more globally, and

custody more than It is," the company said. WM Company. which it acquired in 1987, has remained largely a UK business, and is a leading provider of performance measurement services to pension

> Bankers Trust bought WM partly in the bope that its clients would use the bank's index-tracking fund management services, which are among the largest in the US. However, the desired synergy did not materialise and Bank-ers Trust sold its UK-based index-tracking fund management business to Invesco ear-

Sales rise expected to lift Ahold profit

By Ronald van de Krol in Amstardem

Ahold, the Dutch-based food retailer, has forecast an improvement in first-quarter net profits against last year's result. The prediction follows the release of figures yesterday showing that sales, excluding value added tax, rose by 8 per cent, to F18.6bn (\$4.6bn), in the

first 16 weeks of the year. The company, which is due to publish quarterly figures on June 16, said its supermarket operations in the US, the Netherlands and other parts of Europe were expected to post higher operating profit.

Sales in the US, which accounts for about half of turnover, rose by 5.5 per cent in the quarter. In the Netherlands,

while sales in the rest of Europe, which are small compared with US and Dutch turnover, jumped by 48.3 per cent, reflecting recent acquisitions

in Portugal. Mr Cees van der Hoeven, president, speaking ahead of yesterday's annual shareholders' meeting, said two of the group's five US chains, Finast Ohio and Edwards, were expected to return to profit in 1994 after losses in 1993. Ahold's three other chains, Bi-Lo, Tops and Giant, were profitable last

The company recently acquired a sixth chain, Tennessee-based Red Food Stores, for \$124m plus \$5m in debt. Red Food will not contribute to Abold's 1994 profits.

BCP tops SKr296m for first quarter

By Christopher Brown-Humes

BCP, the Swedish consumer products group which Volvo is to sell, yesterday announced a SKr296m (\$38.44m) profit after financial items for the first three months.

The result compares with a profit of SKr333m in the same period last year when the result was boosted by a SKr350m gain from a disposal.

BCP was formed in late 1993 after the break-up of Procordia, a drugs-to-food group jointly controlled by the Swedish state and Volvo. Volvo owns 74 per cent of the company and has launched a bid for the balance.

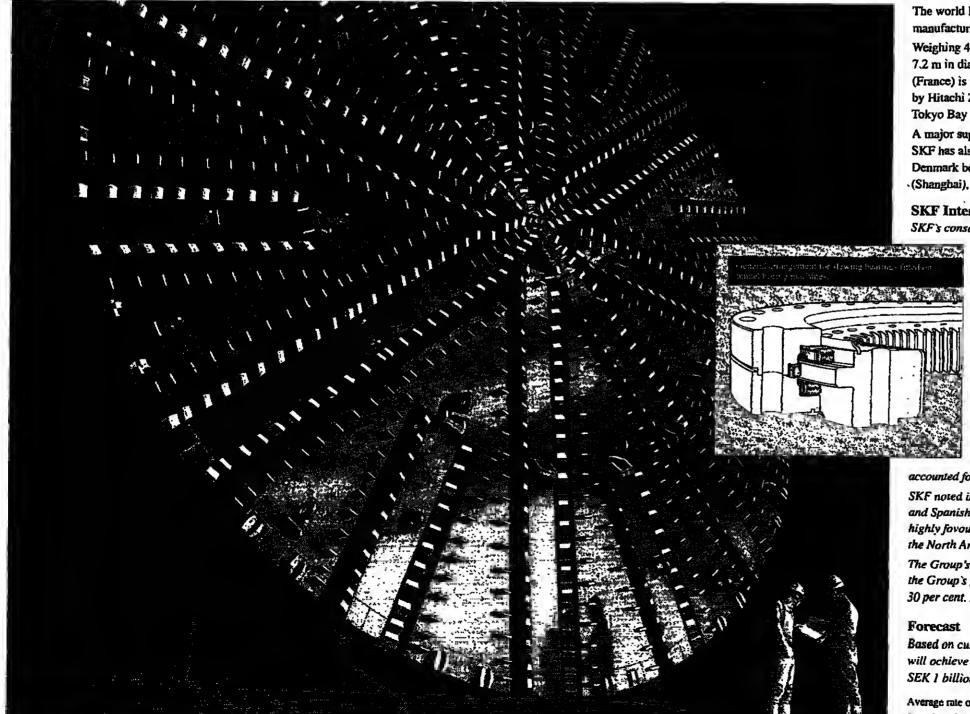
It then intends to sell the group - to focus on transport. **BCP** includes Swedish Match

and many of Sweden's bestknown food and drink brands. BCP's first-quarter group income fell 4 per cent to SKr4.85bn, reflecting the sale of Swedish Match's confectionery activities. Operating income dropped to SKr322m from SKr410m.

Swedish Match saw sales fall to SKr1.77bn from SKr1.96bn, but profits from continuing activities more than doubled to SKr255m from SKr118m. The improvement stemmed from a recovery in Swedish tobacco

Procordia Food & Beverage the group's other main division, saw sales expand to SKr2.34bn from SKr2.24bn, but profits from continuing operations fell marginally to SKr59m from SKr62m.

SKF at the cutting edge



The world leader in rolling bearings, SKF breaks its own record for manufacture of the heaviest single-piece slewing bearing.

Weighing 45 tonnes - some 20% more than the last record breaker - and 7.2 m in diameter, this giant bearing manufactured by SKF, RKS S.A. (France) is for the cutting bead of a shield tunnelling machine being built by Hitachi Zosea Corporation in Japan for the 14 m wide and 10 km long Tokyo Bay road twin tunnel project.

A major supplier of high performance bearings for tunnelling machines. SKF has also been at the cutting edge on projects in; Switzerland, Denmark between the islands, the Anglo-French Channel Tunnel, China (Shanghai), Portugal (Lisbon), Greece (Athens), and France (Lyon, Lille).

SKF Interim Statement

SKF's consolidated income after financial income and expense for the first quarter of 1994 amounted to 306 million Swedish kronor (£26m), an improvement of SEK 661m (£58m), compared with the first quarter of 1993. Compared with the last quarter of 1993, the improvement was SEK 266m (£22m). Group sales during the period totolled SEK 8 052m

> The improvement in demand for the Group's products noted in Europe during the second holf of 1993 continued during the first quarter of 1994. The recovery in the European economy means that SKF's most important market is now on the way up ogain after four years of decline.

> (£673m) agoinst SEK 7 205m (£654m) for the first quarter of 1993. This reflects o volume increase of opproximately

The automotive industry, including cars, buscs and trucks, accounted for a significant portion of the increase in volumes.

SKF noted increased soles particularly in the German, Swedish, Itolian and Spanish markets. Sales to monufacturers of heavy trucks showed highly fovourable development. SKF soles to the outomotive industry in the North American market olso developed positively.

The Group's inventories amounted to 29.6 per ceut of total sales, meeting the Group's goal of reducing the inventory to soles ratio to below 30 per cent. Accordingly, the Group has now set a new goal of 25 per cent.

Based on current economic conditions, the SKF Group estimates that it will ochieve income ofter financial income and expense of approximately SEK 1 billion (£84m) in 1994.

Average rate of exchange Jan - March 1994 | GBP = 11.96 SEK Jan - March 1993 1 GBP = 11.02 SEK. FINANCIAL TIMES TUESDAY MAY 10 1994



And the bond market thought you were dead in the water.

A few months ago that might well have been right.

Your credit rating had been lowered. Your spreads were twenty basis points too wide. And the market could not appreciate your true value.

Trying to raise capital with a large new issue at that point would have been far too expensive.

That's why you turned to an investment bank known for innovative thinking as well as for market power.

They advised you to be both cautious and bold.

The strategy: Before coming out with a new issue, re-establish your presence — and your true standing — in the marketplace.

To make that strategy work, they used the firm's considerable resources. Scores of professionals personally contacted hundreds of your bondholders around the world.

They listened carefully, then designed a programme to provide investors with an attractive alternative to their illiquid bonds.

The success of the programme tightened your spreads and created a new benchmark. More importantly, by going to the extraordinary measure of approaching these institutions and individuals, the firm was able to identify the potential investors for your bonds and determine the market level for your credit.

Armed with this extensive intelligence, they helped you establish the precise structure and price — as well as create demand — for a large new bond issue.

Which you are about to surface.

MORGAN STANLEY

Intanstali Maker

bank de

Huarier

Redemption at the Option of the Noteholders

St George Bank Limited orporated in New South Wales)
(A.C.N. 055 513 070) rown as St. George Building Society Ltd.) (A.R.B.N. 051 508 313)

U.S.\$100,000,000 Floating Rate Notes due 1998 (the "Notes")

NOTICE IS HEREBY GIVEN in accordance with Condition 6(3) of the Terms and Conditions of the Notes, any Notcholder may require the Issuer to redeem any Note held by such Noteholder at its principal amount: On the Interest Payment Date falling in August 1994 or August 1996. To require the Issuer to redeem Notes on any Interest Payment Date as provided above a Noreholder should complete, sign and deposit a Redemption Notice together with the Notes with all unmatured coupons appertaining thereto at the specified office of any Paying Agent, not less than 30 no more than 60 days' prior to such Interest Payment Date. Any such exercise of the option shall be irrevocable, and any Note once so deposited may not orior to such Interest Pro

> **Principal Paying Agents** Bankers Trust Company I Appold Street London ECZA 21 IE

Swiss Bank Corporation I Aeschenvorsus CI 1-4002 Basie

Bankers Trust Luxembourg S.A. 14 Boulevard F.D. Roosevelt

Bankers Trust Company, London loth May, 1994

Agent Bank



3i International B.V.

\$150,000,000 Guaranteed floating rate notes 1999

The notes will bear interest at period 6 May 1994 to 31 May 1994 interest payable on 31 May 1994 will amount to \$37.67 per \$10,000 note and \$376.71 per

Agent: Morgan Guaranty Trust Company

JPMorgan

The Republic of Panama US\$408.036.000 Floating rate serial notes 1996-2002

The notes will bear interest a 5.9375% per annum for the interest period 10 May 1994 to 10 November 1994, Interest payable on 10 November 1994 will be US\$30.35 per

Agent: Morgan Guaranty Trust Company

JPMorgan

TEMPLETON GLOBAL STRATEGY SICAV Société d'Investissement à Capital Variable 2, boulevard Royal, Luxembourg R.C. Luxembourg B - 35117

DIVIDEND ANNOUNCEMENT

TEMPLETON GLOBAL STRATEGY SICAV will pay on May 13. 1994 the following dividends against presentation of the resp

Templeton Global Income Fund: USD 0.14 coupon no 10
Templeton DM Global Bond Fund: DEM 0.14 coupon no 10
Templeton Emerging Markets
Fixed Income Fund: USD 0.17 coupon no 9 Templeton Haven Fund: Templeton US Government Fund:

Paying Agent in Luxembourg: Banque Internationale à Luxembourg 69, route d'Esch Luxembourg

The funds are traded ex-dividend as from May 6, 1994. For any queries, shareholders are invited to contact Templeton investment Management Limited - Edinburgh, Tel: 031-369 4000.

The Board of Directors

USD 0.17 coupon no 9 CHF 0.08 coupon no 8 USD 0.04 coupon no 30

INTERNATIONAL COMPANIES AND FINANCE

State sells 70% of Air Jamaica

By Canute James in Kingston

The Jamaican government has sold 70 per cent of Air Jamaica to a consortium of local and Canadian investors for US\$26.5m

The disposal is the first of what is expected to be a series of sales of several of the Caribbean's loss-making

A further 5 per cent of Air Jamaica will ba offered to employees with the government retaining 25 per cent.

The government will take responsibility for all liabilities which exceed the value of the current assets, said Mr P. J. Patterson, Jamaica's

"Liabilities far outweigh assets and the government will be writing off a significant amount," said a company offi-

The consortium taking control of Air Jamaica says the carrier will be capitalised at \$52.5m, and that the funds will be raised from Jamaican and Canadian sources.

The government has been trying to find a buyer for Air Jamaica for four years. The airline has recorded continuing losses, including a deficit of just over \$20m last

The deal coincides with a move by several other Caribbean governments to merge their airlines. They have invited British Airways to take a 25 per cent stake in the venture. Regional officials say that BA is carrying out a feasibility study of the scheme. The governments intend to start with the merger of the operations of Air Jamaica and Trinidad and Tobago Airways Corporation, which runs BWIA rnational.

The new regional company will later be expanded with the inclusion of Bahamasair, the Guyana Airways Corporation, and Leeward Islands Air Transport (LIAT), an islandhopping commuter airline which is owned by several gov-

Regional governments will have a minority stake in the new company which will run the airlines. The plan is for large airlines and regional pri-vate business to hold a majority of the new company's

A study commissioned by the Caribbean Community indicated that a rationalisation of the region's air transport, with shared services and a sin-gle company running the five airlines, would lead to savings of \$60m a year. None of the airlines has been

an attractive proposition, mainly because they heve no record of financial viability. There is little to indicate that their operational efficiency can be significantly improved. Air Jamaica has a fleet of

eight. It plies routes between the island and several eastern and south-eastern US cities. BWIA has a fleet of 11. Its accumulated losses over the past six years have been put by company officials at "about

Pay revelations raise eyebrows

Bernard Simon examines Canada's latest corporate governance move

anada's corporate gossip-mongers are hav-ing a field day. Since the beginning of this year, they have been fed a juicy diet of proxy statements which for the first time disclose the pay packets of the captains of Canadian commerce and indus-

Barely a day goes by without the business press carrying a prominent story about the surprisingly high or surprisingly modest remuneration of some or other chief executive.

Corporate governance and executive compensation consultants expect that the disclosures will not only be good for their business, but could have significant repercussions in boardrooms, among outside shareholders and even in the political arena.

Mr Richard Finlay, a Toronto consultant, describes the new rules as the biggest advance in corporate governance in Can-ada since the start of securities regulation.

"We're paying a lot of atten-tion to it," adds Mr Bob Silicox, head of investments at Ontario Municipal Employees Retire-ment System (Omers), one of Canada's biggest pension funds. According to Mr Sillcox, Omers has already raised the question of excessive compensation with a company (which he declines to identify) in

which it has an investment. At least one large institutional investor, the Ontario teachers' pension fund, has decided to publish details of its The chairman of the fund's

board said recently: "Since we sort of bug other people about this and they are now required to do it, the question arises. why shouldn't we do it?"

The new rules were imposed last year on a reluctant and notoriously clubby business community by Ontario's socialdemocratic government. The government ovar-rulad the advice of the Ontario Securities Commission, which had recommended that companies reveal only the aggregate com-pensation paid to their top five

executives. The new guidelines closely follow rules applied by the US Securities and Exchange Commission. Every company registered in Ontario (which in practice means all those listed on the Toronto stock exchange) must disclosa the annual salary, bonus, share options and other compensa-tion paid to each of its top five

executives for the past three o Canadian executive comes close to the US\$203m reportedly taken home last year by Mr Michael Eisner, chairman of

Walt Disney, the US entertain-

ment group. Nonetheless, sev-

eral of the dozens of compensa-

tion statements published in

Canada over the past three months have raised eyebrows. By far the most contentious has been the C\$4m to C\$6m awards - all in the form of bonuses - paid to each of the three top officers of First Marathon, a medium-sized Toronto

First Marathon's net profit more than doubled last year to C\$44.6m (US\$32.3m). But the combined pay packets of the top three officers amounted to more than a third of bottomline earnings. First Marathon's senior management, long famed for their swashbuckling style, control the company

through multiple voting At the other end of the spectrum, Mr Peter Godsoe, Bank of Nova Scotia's chairman, has been singled out as one executiva who might legitimately ask for a raise next year. BNS's earnings of C\$714m and its 14.4 per cent return on equity were the highest among Canada's

big six banks in 1993. But Mr Godsoe's total remuneration of C\$786,400 was relatively modest compared to his counterparts. Mr Matthew Barrett. Bank of Montreal's chairman, earned C\$1.75m.

In many cases, bonus payments appear to bear little relationship to a company's performance.

Royal Trust, the loss-making financial institution which collapsed into the arms of Royal Bank of Canada last August, paid its top five executives C\$3.2m, including a raft of bonuses and consulting fees. Bramalea, the troubled real-

estate developer, paid its chief executive a C\$285,000 bonus as part of his C\$971,000 earnings. The company justified the bonus on the grounds that its losses narrowed to C\$91m from more than C\$900m in 1992, and it posted positive cash flow after negotiating a

debt-restructuring agreement Some executives have paid a tangible price for their companies' lacklustre performance. Mr Red Wilson, chairman of BCE, Canada's biggest public company, took a 35 per cent pay cut last year to just under C\$750,000 in the wake of the heaviest losses ever suffered by

the company.

Nova, the Calgary-based pipeline and petrochemicals group, has taken the ultimate step in linking compensation with performance by paying its chief executive entirely in common shares.

The barrage of publicity on executive pay "is waking shareholders up to [compensation] issues", says Mr Bill Mackenzie, vice-president at Fairvest Securities. which specialises in corporate

It will take some time, however, before the full repercussions of disclosure can be assessed. Mr Silicox notes that the hald numbers published in proxy statements do not tell the full story. He says Omers needs to examine such questions as the composition of boards of directors and their compensation committees before it can draw any firm

conclusions. One safe bet, however, is that many directors will think much more carefully at the end of this year not just about how much senior management should be paid, but also about how the decisions should be explained to increasingly vigi-

Transamerica in \$200m share buy-back move

By Richard Waters in New York

Transamerica, the San Francisco-based financial serthe San vices group, is planning to buy back 4.5m of its shares in a deal worth more than \$200m. Like other financial services stocks. Transamerica has been

hit by rising interest rates in recent weeks. Its shares ended ast week at \$51%, down from a high of \$62%. News of the buy-back spurred a rise in the stock in

New York yesterday morning, to \$52%. The company announced a Dutch auction for the stock, under which holders are being invited to tender their shares

at between \$48 and \$55. Transamerica will then pay : single price for the stock it buys, set at the lowest level which allows it to reach its target of 4.5m shares.

The offer remains open until June 6.

Standard & Poor's, the ratings agency, said the compa-ny's capital structure would remain strong even after paying out cash for the shares, and reaffirmed its single-A senior debt rating for the

Royal Bank of Scotland buys Banesto stake

Royal Bank of Scotland is to acquire 2 per cent of the share capital of Banco Español de Crédito (Banesto) from Banco Santander, the Spanish bank which last month won the auc tion to take a controlling stake in Banesto, writes John Gapper, Banking Editor.

Royal Bank, which has had a strategic partnership with Santander since 1988, when the Spanish bank acquired 9.9 per cent of its equity, said it would pay £46m (\$67.16m) to acquire 12.25m shares at a price of Pta762

AGF to forge link with SocGen

By Alice Rawsthorn in Paris

Aesurances Générales de France (AGF), one of France's largest insurance groups, has chosen to forge closer links with Société Générale after its privatisation, rather than Crédit Lyonnais.

Société Générale and Crédit yonnais have for some months been competing to become AGF's strategic partner in the banking sector. Both banks have cross-shareholding agreements with AGF, which yesterday confirmed it had plumped for Société Générale. The news is blow to Crédit Lyonnais, which is still reeling

from controversy over its recent announcement of a FFr44.9bn (\$7.7bn) governmentbacked rescue package. Mr Jean Peyrelevade, the bank's new chairman, had made no secret of wanting a closer liaison with AGF as part of his long-term recovery strategy. Société Générale yesterday

affirmed plans to raise its 1.7 per cent stake in AGF when the insurer is privatised later this year. It has yet to decide how big its eventual stake will be. Société Générale increased its stake in the Rhône-Poulenc chemicals company from 1.8 to 5 per cent at the time of its recent privatisation.

Société Générale said it was still considering whether to develop operational links with AGF. The bank has ruled out the possibility of joining forces in life insurance, as it already has interests in that area. But it said AGF might form part of its eventual expansion into damage insurance.

The liaison between AGF and Société Générale forms part of a trend in French finance. [Injon des Assurances de Paris has used its privatisation (now nearing completion) as an opportunity to strengthen its long-standing links with Banque Nationale



SEITA is proud to be one of the leaders in the manufacture and marketing of cigarettes, cigars and matches in France and abroad. We supply retailers throughout France thanks to an efficient and complex logistical organization. Our research and development department innovates constantly in tha tobacco growing process, from seed to finished product, as required by today's discriminating tastes. Every day, our brands are purchased by millions of

consumers. They are our best advertisement. Our figures speak for themselves.

CONSOLIDATED STATEMENT OF INCOME

		
in million trench francs	1993	1992
Net sales	14 137	13 872
Net income	<i>585</i>	447
Net margin	4,1 %	3,2 %
Cash flow	794	567
Total assets	14 026	12 123
Shareholdere'e povity	4 209	2 245



Teollisuuden Voimansiirto Oy

U.S.\$45,000,000 Senior Debt due 1999

Funds provided by

I.-Bank Landeskredithank Buden-Württemberg The Long Term Credit Bank of Japan, Limited

The Nippon Credit Bank, Ltd

Nordfinanz Bank Zurich

Agent

The Nippon Credit Bank, Ltd

J.P. Morgan Securities Ltd.

This announcement appears as a matter of record only

SEK

AB SVENSK EXPORTKREDIT (SWEDISH EXPORT CREDIT CORPORATION)

> **Equity Linked Notes** Skr 150 000 000 1994/99

Issued under the Programme for the Continuous Issuance of Debt Instruments

Enskilda Corporate Skandinaviska Enskilda Banken

GERMAN CITY ESTATES N.V.

established at Amsterdam

Notice of the extraordinary meeting of shareholders of German City Estates N.V. to be held on Tuesday 24 May 1994 at 10.30 a.m. at the Company's offices at Johannes Vermeerplein 5, Amsterdam, in connection with the change of Articles 3a and 16, Paragraph 1 of tha Articles of Association.

Holders of bearer shares as well as usufructuaries having the right to vote, who wish to attend the meeting, are required to deposit their proof of ownarship at Internationale Nederlanden Bank N.V., Da Amaterdamaa Poort, Bijlmerplain 888. Amsterdam, or at Wesselius & Co. B.V., Nieuwe Doelenstraat 10. Amsterdam, or at the office of the Company, Johannes Vermeerplein 5, Amsterdam, not later than 17 May 1994.

Shareholders who wish to be represented by power of attorney can also deposit a written power of attorney at the banks mentioned above, or at the Company, where proxy forms can

The agenda for the meeting and the text of the proposed amendments of the Articles of Association are available and may be obtained as of today by shareholders and others entitled to attend the meeting at the offices of the Company.

Petroleum Argus Daily Oil Price Reports rnation you require for Global Grans Petroleum Argus



BARCLAYS BANK PLC

U.S.\$330,830,000 **Junior Undated Floating Rate Notes**

Notice is hereby given that the Rate of Interest for the interest Period from 10th May, 1994 to 10th November, 1994 is 51/4 per cent. per amount and that on 10th November, 1994 the amount of interest cavable in the second of interest cavable in the second of the secon of interest payable in respect of each U.S.\$5,000 principal amount of the Notes will be U.S.\$132.57 and in respect of each U.S.\$50,000 principal amount of the Notes will be U.S.\$1,325.70.

Barclays de Zoete Wedd Limited Agent Bank



071 329 828

INTERNATIONAL COMPANIES AND FINANCE

Berliner Bank to raise dividend

By Judy Dempsey in Berlin

Provernance M.

ith SocGe

rie ()

Berliner Bank, which earlier this year merged with two others to form Germany's sixthbiggest bank, will increase its dividend by DM7 to DM9 following last year's high partial operating profits and operating

At the same time, Mr Wolfgang Steinriede, spokesman for the board, said the the group's net profits before risk provi-sions would total about DM1.2bn (\$612m), similar to

without trading, for 1993 rose by 60.7 per cent to DM372.4m (\$223.5m), while full operating results rose by 120 per cent to DM303.2m. Net profits rose by 71 per cent to DM121.1m. Net interest receipts rose by 34.3 per cent to DM1.33bn, while commission fees increased by

24.3 per cent to DM254.6m. Last year's results confirm the bank's success in integrating the Berliner Stadtbank, its east Berlin counterpart. The takeover of this bank after German unification included

Tranb, the west German tool-

turning manufacturer in Stutt-

gart, and Heckert, the east Ger-

man tool-milling enterprise in

Germany's machine-tool indus-

try before the second world

When the two enterprises joined forces last September,

both companies had undergone

radical restructuring pro-grammes. Traub, saddled with

losses the previous year of DM47.9m (\$28.75m) and a turn-

workforce from 1,800 to 1,000.

forced the company to adopt a

leaner and tougher strategy.

Last year, they agreed on a

financial package aimed at reducing Traub's debt by

DM80m, while the family-

increase its share capital in

"The business culture Is changing. You can no longer rely on producing and expect orders to follow. You have to

work harder to find your

at the same time," said Mr

Manfred Hekeler, bead of

As part of the restructuring

plan, Traub wanted to comple-

ment the turning-machine divi-

sion with a milling tool produc-

tion unit. Heckert seemed to fit

the bill. But the Chemnitz

1993 by DM10m to DM47m.

company would

the tunnel." he said.

owned

marketing.

Partial operating profits, DM7bn of government-guaran- are owned by the State of Berteed loans and an additional capital of DM550m.

However, this year's performance will be anchored on the said the Berlin Senate intended new structure, called Bank the first time in German banking brings together the private and public sector.

BGB includes Landesbank Berlin, which owns the saving banks, Berliner Hypotheken und Pfandbriefbank (a property financing institution) and Berliner Bank (a commercial bank). All three institutions

lin. Currently, Berlin holds a 78 per cent stake in the BGB. But Mr Steinriede yesterday

to reduce its stake in BGB by Gesellschaft Berlin, which for about 10 per cent in 1995. By the first time in German bankthis year, BGB's total share capital amounted to DM8.3bn. Berlin's decision to reduce

its stake was partly prompted by financial reasons - the city had a budget deficit of DM7bn - as well as the need to push Berlin towards becoming a financial centre.

S African glass group advances

By Mark Suzmen

strong performance by offsbore operations helped Plate Glass and Shatterprufe Industries, South Africa's largest glass company, to a 71 per cent increase in after-tax profits for the year to March, to R207.9m (\$58m) from R121.9m.
Attributable income more than doubled to R158.8m from R79.1m, and a dividend of 58.8 cents was declared, up from

37.1 cents in 1993. Mr Ronnia Lubner, chief executive, attributed the results to offshore subsidiary Belron International, which serves the automotive glass replacement industry in 11 countries, and which contributed 36 per cent of earnings.

Belron benefited from a strong showing from Auto-glass in the UK. Continental Europe (except Germany and Italy) and Australia also did

Mr Lubner was particularly pleased with the group's American operations, Windshields America.

Group turnover increased by 17 per cent to R3.2bn from R2.77bn while net financing costs dropped to R28.5m from

R32.6m on strong cash flow. Mr Lubner was "cautiously optimistic" about the South African economy in the new political climate.

MUM to sell coal projects

MIM Holdings, the Queensis trying to prune its investment portfolio and discard assets deemed "non-core", is putting three undeveloped coal projects np for sale, writes Nikki Tait in Sydney.

Two are in Queensland Rolleston in the Bowen Rasin and Chinchilla in the Surat Basin - where MIM boids 100 per cent interests. The third is the Denman project in New South Wales' Hunter Valley. This is a 50:50 joint venture with Agipcoal Australia.

MIM said the deposits were in "an advanced state of evaluation" and contained around 1bn tonnes of coal resources. suitable for domestic and export steaming coal markets. It said it would consider outright purchase or joint venture arrangements.

ANI ahead at nine months

ANI, the Sydney-based heavy engineering group which owns Anrora in the UK, has reported a 13.6 per cent rise in after-tax profits for the nine months to end-March to A\$43.8m. Revenues were up by 25.8 per cent to A\$1.1bn, writes Nikki Tait.

Operating profit after tax rose by 19.3 per cent in the third quarter to A\$14.1m and ANI said the trend should continue for the rest of the year.

LAFARGE

COPPEE

The union of two German machine-tool makers was never going to be easy, writes Judy Dempsey

obody said the mar-riage between two Difficult first riage between two Not only had it taken place against the background of one of the worst recessions in recent years - late last month Deckel Maho, another machine-tool group, filed for protection from its creditors. But the marriage involved

Germany's flagship.

But the ship could hardly sail once these markets collapsed after the introduction of Chemnitz, once the heart of German monetary union. The Kombinate was broken up. The 4,300 workers in the millingtool section was reduced by a tenth to 430, while the Treu-hand pumped money in, picking up losses, environmental liabilities and redundancy costs totalling DM100m. Like Traub, it was now lean. All it required was a new owner.

over which had fallen 8 per We had been looking for a cent to DM270m, had cut its company like Heckert for some time," said Mr Zimmer. "We "Our labour costs were too wanted to bave turning and high. The only way we could milling under one roof, without any overlap." With the acquisisave money and become more efficient was through shedding tion of Heckert, along with Jobs," said Mr Theodor Zim that of Hermle, which manumer, a board member of Traub. "We are slowly coming out of factures milling machines for use in mould-making and small series production. Traub's new Pressure from its banks also strategy was in place.

"We now have an attractive site for production purposes and sales activities," explained Mr Zimmer.

ut the marriage has had But the marriage has had difficulties. Mr Wolfgang Sittig, the manager at Heckert, says one of the greatest problems facing the Chemnitz plant is finding ways to finance sales to the former Soviet Union which continues to have a buge

"Because of [Russia's] financial problems, we have to finance the whole production until we receive payment on delivery. Our problem is not cash flow. It is revenue," he explained, adding that he either depends on Hermes, Germany's export guarantee mech-

anism, or on counter-trade. enterprise was also in trouble. For some time, the Treuhand The point is that we cannot privatisation agency, which in throw away the markets in 1991 had taken over the glant eastern Europe or Russia. They will have purchasing power Kombinate, or state-owned enterprise, had been searching sooner or later. This firm has for a buyer of a plant which built up contacta over the since 1951 had had a monopoly years and we want to maintain

in supplying the east European and Russian markets. More than 35 per cent of Heckert's turnover, which last Then called the Fritz-Heckyear amounted to DM70m, is ert-Werk, it had employed backed by Hermes. The remaining sales are now tar-27,000 people spread over 17 workshops, and had been producing 2,500 milling tool units a geted at western markets.

around the clock. It was east DM17m, are expected to stabilise, while turnover this year will reach DM97m.

> nevitably, there will be a time lag before Heckert can reap the benefits of Traub's capital investments of DM60m. Since Traub acquired five of the 11 manufacturing halls last September, three have been completely modern-

> "Heckert's union with Traub has many advantages. Heckert gains management know-how and can ride on the back of Traub's worldwide marketing network," said Mr Sittig. Exports account for 35 per cent of Traub's turnover. In return Trauh gains more production and capacity space, potential markets in the east and - for the moment - lower wage costs.

> However, the workers in Stuttgart, still reeling from the affects of the redundancies, show little solidarity with their east German brothers.

"We are afraid of internal competition," said Mr Manfred Suss, 50, a member of the workers' council. "How can we be sure that Traub will not shift some of the production from Stuttgart to Chemnitz, especially since the wages over there are about 30 per cent lower than over here?

The workers at Heckert, who to have a job, are not surprised about such views.

We know the Stuttgart peo ple are a bit worried," said Mu Dieter Kupsca, a 40-year-old engineer. "But through work-ing for this western firm we just have to be flexible. The old days of sticking to the monthly production plan are over. We have to respond quickly to new orders and a new way of doing

The marriage between the workers' councils in Stuttgart and Chemnitz may take time to consummate, But for Messrs Zimmer and Sittig, the union of two of Germany's machine tool manufacturers, forged after difficult restructuring programmes, may help both ride out the recession and emerge stronger when it is

year with production running Losses, which last year totalled

Recovery at Hindustan Motors By Kunai Bose in Calcutta

Hindustan Motors, India's second largest carmaker and a GP Birla group company, confirmed its recovery from recession for the year to March 31 by making a net profit of Rs176m (\$5.6m), against a loss of Rs305m in the previous year. With higher car sales and improvements in the earthmoving equipment and power

products division, turnover rose to Rs6.44bn from Rs5.04bn. The company, which is in talks with General Motors of the US about a possible joint venture in India, said it had been able to reduce costs during the year and there would be further savings with the ongoing modernisation of car production facilities. • MRF, India's biggest pro-

ducer and exporter of tyres.

increase in net sales to Rs5.38bn for the six months to end-March from Rs4.68bn in the same period last year.

The company's tyres met with greater demand from motor vehicle manufacturers and also in the replacement market. However, because of higher input costs, gross profit was up only 28 per cent to

INFORMATION TO HOLDERS OF 6 1/8% **CONVERTIBLE BONDS DUE 1997**

END OF CONVERSION PERIOD: MAY 28, 1994

On January 21, 1994, Lafarge Coppée announced the prepayment of its 6 1/8% Convertible Bonds due 1997. The Redemption Date was February 21, 1994. However according to the Terms and Conditions of the Bonds, they may be converted into Lafarge Coppée ordinary shares within three months, following the Redemption Date.

Consequently Bondholders are reminded that they may convert their Bonds into Lafarge Coppée ordinary shares until May 20,

Bonds not converted on such date shall be redeemed at a price of FRF 10,383.37 (i.e. a theoritical equivalent of FRF 358.7/share).

The closing price of Lafarge Coppée ex-dividend share on May 5, 1994 was FRF 451. On the same date close to 84% of the Bonds were already converted.

Fiscal Agent Kredietbank SA Luxembourgeoise.

WORLD LEADER IN CONSTRUCTION MATERIALS

This Information appears as a matter of record only.

May 1994



Bayerische Motoren Werke Aktiengesellschaft Munich, Federal Republic of Germany

BMW Finance N.V.

The Hague, The Netherlands

BMW US Capital Corp. Wilmington, Delaware, USA

BMW Coordination Center N.V.

US\$ 1,000,000,000 **Euro Medium Term Note Programme**

Mechelen, Belgium

unconditionally and irrevocably guranteed by

Bayerische Motoren Werke Aktiengesellschaft Munich, Federal Republic of Germany

Arranger

Dresdner Bank

FF-Arranger

Co-Arranger Merrill Lynch International

Merrill Lynch Capital Markets

(France) S.A.

Dealers

Barciays de Zoete Wedd

Swiss Bank Corporation

Bayerische Vereinsbank

Commerzbank **Dresdner Bank**

Aktiengesellschaft

Lehman Brothers

Morgan Stanley & Co.

Goldman Sachs International

Merrill Lynch International

CS First Boston

J. P. Morgan Securities Ltd.

Deutsche Bank AG London

Merrill Lynch Capital Markets

(France) S.A.

UBS Limited

Programme Agent Dresdner Bank Aktiengesellschaft

Paying Agents

Dresdner Bank Aktiengesellschaft

Morgan Guaranty Trust Company of New York

Tha Programme has been admitted to the Official List of the London Stock Exchange and application for admission to the Regulated Market of the Frankfurt Stock Exchange has been ma

All of these securities having been sold, this announcement appears as a matter of recurd only.

New Issue

1,400,000 Ordinary Shares

BELIZE HOLDINGS INC.

(Incorporated under the laws of Belize)

Copies of the Prospectus may be obtained in any State or jurisdiction in which this announcement is circulated from only such of the undersigned or other dealers or brokers as may lawfully offer these securities in such State or jurisdiction.

Merrill Lynch & Co.

CS First Boston

Goldman, Sachs & Co.

N M Rothschild and Smith New Court

Lehman Brothers Morgan Stanley & Co.

S.G. Warburg & Co. buc. LBS Securities Inc.

Arnhold and S. Bleichroeder, Inc. Monness, Crespi, Hardt & Co., Inc.

Bear, Stearns & Co. Inc.

Smith Sarney Shearson Inc.

Doley Securities, Inc.

Janney Montgomery Scott Inc. **Tucker Anthony**

FAE CLIFTS BOOKMAKE The Market Leaders at aproad burung - Fusional and Sports For a letockure and an account application form cell U71 283 3667 Accounts are normally opened within 72 hours INDEX see our up-to-date prices 8a m to 4p m on Teletest page 60? REUTERS 1000

24 hours a day - only \$100 a month!

For more information Type: COM Fax +45 4587 8773

Citicorp Banking Corporation Û.S. \$250,000,000 ting Rate Subordinated Capital Notes Duri inonally Guaranteed an a Subordinated & Pursuant to Paragraph (d) of the Terms and Condi-heraby given that the period in respect of Coupon 25, 1994 to June 27, 1994. A further notice will be Interest and Coupon amount payable.

20, Boulevard Emmanuel Servals L-2535 Luxembourg

AVIS AUX ACTIONNAIRES es actionnaires sont convoqués par le présent avis à

L'ASSEMBLEE GENERALE ORDINAIRE DES **ACTIONNAIRES**

qui se tiendra au siège social à Luxembourg le 19 Mai 1994 à 14h30, avec l'ordre du jour suivant

ORDRE DU JOUR

- 1. Rapport de gestion du Conseil d'Ada 2. Rapport du Réviseur d'Enterprises;
- Adoption du bilan et des comptes de profits et pertes de l'exercice au 31 Décembre 1993;
- Affectation du résultat de l'exercice
- 5. Décharge aux administrateurs et au Réviseur d'Enterprises;
- 6. Nomination des organes sociaux: Nomination des administrateurs
- Nomination du Réviseur d'Enterprises.

Divers. Les résolutions des actionnaires tors de l'Assemblée Générale Ordinaire seront votées à une majurité simple des actionnaires

Chaque action a un droit de vote.

Tout actionnaire peut voter par mandataire

BANQUE DE GESTION EDMOND DE ROTHSCHILD LUXEMBOURG S.A. 20 Boulevard Emmanuel Servais L-2535 LUXEMBOURG

U.S. \$250,000,000



Crédit Lyonnais

Subordinated Floating Rate Notes Due August 1997

Interest Rate Interest Period

5% per annum 9th May 1994 8th August 1994

Interest Amount per U.S. \$10,000 Note due 8th August 1994

U.S. \$126.39



CS FIRST BOSTON



vey will report on the important contribution made to the eminority businesses in the United Kingdom, it will exceed as prospective will be affected by competition at lease and how they are responding to the challenge of someonic re

ANTHONY & HAYES

Tel: 021, 454 0922 Fex: 021, 455 0869

FT Surveys

INTERNATIONAL COMPANIES AND FINANCE

Rise and rise of a Malaysian businessman

Tajudin Ramli is set to take over the controls at the state airline, writes Kieran Cooke

corporate career in the early 1980s in bicycles, buying a controlling stake in the Malaysian unit of the British Raleigh group.

SA group

result of

shake-up

Tongaat-Hulett, the South African food, industrial and

consumer products group and

the largest company in Natal province, reported a strong

econd half as a result of suc-

After-tax profits for the year

ended March rose 15.8 per cent to R159m (\$32.1m) from

The results were helped by a

decline in net financing costs. to R55.2m from R77.4m and a

drop in taxation to R52.1m

The balance sheet was stron-

ger as overall borrowings were

down to R364.6m from

R388.9m, while total net bor-

rowings dropped to R25.3m, a reduction of R107.9m, largely due to proceeds from the sale

of 50 per cent of the group's

Consumer Foods operation to

Turnover increased 2.7 per

cent to B3.97bn from R3.87bn

and a final dividend of 58

cents was declared, making the full-year dividend 13.7 per

cent up on last year, at 83

Mr Cedric Savage, managing director, said the improvement held across all divisions and

improved liquidity and cash-

flows would allow the com-

pany to take advantage of

expected infrastructural

spending by the new govern-

He singled out the group's

brickmaking and aluminium

divisions as particularly well

placed for growth. The sugar

division, recovering from a

two-year drought, is expected

to benefit from deregulation

Tongast has also continued

with capital expenditure,

spending R180m on various irrigation, glucose and alumin-

ium projects. The group is also

undertaking feasibility studies

for a proposed R1.6bn hot rolling aluminium mill expan-

Mr Savage also said antici-

pated growth and higher

liquidity left the company well

placed for new investments,

perhaps in foreign markets.

later in the year.

CPC International.

cessful rationalisation and

By Mark Suzman in Johannesburg

restructuring.

R137.3m.

ahead as a

Now Mr Tajudin is one of Malaysia's leading entrepreneurs, with multi-million dollar interests in telecommunications, tourism and transport.

Last week Celcom, a unit of Mr Taiudin's listed Technology Resources company (TRI), announced it had won a icence to set up international telecommunications links.

Celcom already has a more than 60 per cent share in Malaysia's fast growing cellular communications market. A private company controlled by Mr Tajudin is also in the satellite business: it has bought and launched two Russian communications satellites with the idea of leasing space to regional users.

Now, Mr Tajudin's Malaysian Helicopter Services (MHS) a locally listed company, has plans to take over the running of Malaysia Airlines (MAS), the country's national carrier and one of south-east Asia's biggest airlines. Mr Tajudin is one of Malaysia's most

ities are the talk of Kuala Lumpur boardrooms. However, there are growing concerns that Mr Tajudin is trying to expand too fast. "No one can keep control over such a fast growing business empire," says one

closely watched businessmen. His activ-

Kuala Lumpur analyst. "He's taken on too much - hardly a day goes by without some new deal being announced."

Malaysia and Thailand are the fastest growing mobile phone markets in the

r Tajudin Ramli started his world. In spite of competition from new system operators, the number of subscribers to TRP's Celcom unit network is expected to increase by between 8,000 and 9,000 a month over the next two

> Brokers and investors seem generally optimistic about TRL TRI made a pretax profit last year of M\$103m (US\$38.9m) compared with M\$16.8m in 1992. Over the last 12 months TRI shares have risen from M\$1.46 to M\$11.50 on the Kuala Lumpur

'No one can keep control over such a fast growing business empire - hardly a day goes by without some new deal being announced' However there are doubts about Mr Tajudin'a move into Malaysia Airlines.

MAS. I will be concentrating on the airline from now on." In what was one of the biggest deals in Malaysian corporate history, it was announced late last year that Bank Negara, the country's central bank, would sell a 32 per cent stake in MAS to the Tajudin-controlled MHS. The cost of the stake was estimated at M\$1.79bn.

"Like telecommunications, airlines are

primarily about service," says Mr Taju-din. "There is a big shake-up coming at

However, final clearance for the MHS/MAS deal seems to have been delayed. The original purchase proposal was to have been funded through the issuing of 112m new MHS shares at the

Recently MHS has been on an aggres sive acquisition hunt. Last year it pur-chased a 33 per cent stake in the Schriener Aviation group of the Netherlands for \$4.8m and a 25 per cent stake in World Airways, the US charter operator, for \$27.4m. It has been involved in protracted takeover negotiations with Bristow, the UK helicopter operator.

fallen by more than 20 per cent since

shares have dropped to around M\$11.

MAS takeover package.

MHS is a relatively small company

specialising in support services to Mal-

aysia's oil and gas industry. Pre-tax

profit in the year to end-1993 was M\$21m, down from M\$31m the previous

While Mr Tajudin says ha wants to build MHS into an international aviation company, doubts persist about its financial strength and its ability to manage such a large and complex operation as MAS.

The Malaysian carrier has recently

been flying into some financial turbulence. An over-ambitious fleet expansion programme in the 1991-96 period,

> ests of greater transparency." To date, however, neither

British nor French hanking

regulators have granted Meri-

reluctant to undertake supervi-

sion of a large network such as

ours; they are concerned at the

remoteness of the continent

and have adverse perceptions

in his annual report. However,

he hopes this state of affairs

might be redressed by seeking

a listing for Meridien Corpora-

tion in one of the US stock exchanges, hringing his group

of companies under the Securi-

ties Exchange Commission

Africa," Mr Sardanis wrote

"Most OECD countries are

dien Biao a banking licence.

then market price of M\$16 a share. But the Kuala Lumpur stock market has involving the purchase of 72 aircraft costing a total of M\$10.6bn, has placed severe strain on the balance sheet. At the same time passenger numbers on many routes have dropped.

white fa

the beginning of the year and MHS Pre-tax profit for the six months to With underwriters shying away from September 1993 was M\$6.4m, a 96 per cent drop on the equivalent period the the deal there is talk of a restructured

> There is also a political dimension to Mr Tajudin's husiness dealings. Mr Tajudin is a protege of Mr Daim Zainnd. din, Malaysia's former finance minister and a close confidant of Dr Mahathir Mohamad, Malaysia's prime minister. Mr Daim is known as one of Malaysia's wealthiest businessmen and a corporate

wheeler dealer. Mr Tajudin's business rivals say Mr Tajudin used his political connections to win lucrative telecommunications censes. In return, the government asked the entrepreneur to reorganise MAS.

Mr Tajudin shrugs off such rumours saying he merely responded to opportu-

all welcome nities offered to him. Mr Anwar Ibrahim, the present finance minister, has become involved in increasingly public wranglings with the influential Mr Daim, while Malaysia's regulatory authorities are said to be unhappy with some aspects of Mr Tajudin's business activities.

But Mr Tajudin insists everything is going to plan. "At various times people have said I was mad, putting money into companies like Celcom and MHS. But I have proved them wrong. You have to have vision, that is very important."

Burns Philp

Meridien Biao plans African expansion

By Leslie Crawford in Nairobi

South Africa's transition to democracy is encouraging at least one pan-African banking network to expand its busines through the continent.

Mr Andrew Sardanis, chairman of the Luxembourg-based Meridien Biao, yesterday established a commercial holding company in the US as a vehicle for raising additional capital to extend his chain of commercial banks and insurance companies in Africa.

The holding company, Meridien Corporation of the USA, is capitalised at \$50m. "We are hoping to attract new shareholders to Meridien Corpora-tion at some future date," Mr Sardanis said yesterday in

Mr Sardanis is enthusiastic

of regional trade following South Africa's multi-racial elections. He hopes his network of banks in 20 African countries will act as co-respondents for South African banks in financing the expected increase in trade. In the future ha says, he may apply for a hanking licence in South

Africa. For many years, the Cypriotborn busine man was hanned from entering South Africa for being a Zambian citizen and a one-time member of former president Kenneth Kaunda's government, which actively supported the African National

Meridien Biao is a newcomer to the African banking scene. The banking group is the result of a merger in 1991 of

about the potential expansion Meridien banks in angiophone countries and much of the Banque Internationale pour l'Afrique Occidental, a troubled network of banks in francophone Africa.

Its assets, following the devaluation of the CFA franc in January, are valued at \$950m, down from \$1.45bn hefore the devaluation. Net income in the year ending Sep-tember 1993 was a meagre \$3.3m, which the chairman attributes to reorganisation

The establishment of the Meridien Corporation holding company has effectively separated Mr Sardanis' banking interests from the mining. trading and construction companies grouped under ITM

"After the BCCI affair," says

lifts profits to A\$46m Mr Sardanis. "I decided it was important to separate the By Nikki Tait banking operations from the rest of the group in the inter-

In Sydney

Burns Philp, the Australian group which has heen disposing of non-core assets to concentrate on its food ingredients business, said it made a profit before interest and tax of A\$46.4m (US\$32.6m) in the third quarter to end-March.

This compares with A\$39m in the same period a year ago, hut includes A\$12m profit on asset sales. Without those, earnings would have declined 12 per cent.

A CONTRACTOR OF THE PARTY OF TH

in the same of the

7 21 773

100 to 100 to 100 to

After-tax profits for the quarter were A\$20.5m, against A\$21.4m, and for the nine months, A\$96.8m, against A\$75.9m

This announcement appears

as a matter of record only



At the annual general meeting of shareholders held on 6 May 1994, a dividend of NLG 3.05 per ordinary shara of NLG 5 nominal value was declared for 1993. Part of this dividand has already bean made payable in the form of an interim dividend of NLG 1.45, which might be taken at the shareholder's option either entirely in cash or as a cash payment of NLG 0.25 togather with ordinary shares chargaabla to the share premium reserve, in the ratio of one naw ordinary share for every fifty ordinary shares held.

The final dividand of NLG 1.60 par ordinary share of NLG 5 nominal valua may be taken at the shareholder's option either entirely in cash or as a cash payment of NLG 0.40 together with ordinary shares chargaable to the share premium reserve, in the ratio of one ordinary ahare for every fifty ordinary ahares hald.

The new ordinary shares rank fully for dividand for 1994 and ensuing financial years.

Payment in the form of ordinary ahares chargaable to the ahare premium reserve is exempt from Dutch withholding tax and income tax.

Furthermore, the Managing Board has announced that the preference dividend of NLG 0.475 per preference share of NLG 5 nominal value, for the financial year 1993, will be made payabla after deduction of 25% withholding tax. Holdars of preference in ordinary shares convertible shares will receive their dividend of NLG 0.63 per preference in ordinary shares convertible share of NLG 5 nominal value, for the financial year 1993, being 1/6 of the statutory dividend, which will be made payable after

daduction of 25% withholding tax. As of 18 May 1994, the final dividend on ordinary ahares will be payable at the following

addresses: in the Netherlanda:

any office of ABN AMRO Bank N.V.

in the United Kingdom: National Westminster Bank PLC, (Crawlay),

In connection with the above, NLG 0.40 and NLG 1.20, less 25% withholding tax, will become payable in axchanga for dividand coupon nos. 16 and 17, respectively.

Shareholdars opting for payment in the form of ordinary shares chargeable to the share premium reserve will receive one new ordinary share of NLG 5 nominal value in exchange for every fifty dividend coupons number 17 of the ordinary shares. The closing date is 15 Juna 1994. After this date holders of dividend coupons number 17 can obtain payment in cash only. The new ordinary shares in respect of unexercised stock dividends will be sold.

The dividend on the certificates of preference shares will be made payable only with ABN AMRO Bank N.V. in Amsterdam.

Holdare of preference in ordinary shares convertibla shares will receive their dividend - less 25% withholding tex - as from 18 May 1994 against surrender of dividend coupons number 1 at any office of ABN AMRO Bank N.V. in the Natherlanda.

Holders of registered ordinary shares end registered (convertible) preference shares, whose nemes have been entered in the ordinary share register and (convertible) preference share register, respectively, will be notified individually by the company of the amount of dividend payable to them.

Amsterdam, 10 May 1994

ABN AMRO Holding N.V.

Stichting Administratiekantoor ABN AMRO Holding

ABN·AMRO

May 10, 1994

Baden-Württemberg L-Finance N.V.

Amsterdam, The Netherlands

DM 2,000,000,000 6% Global Notes of 1994/1999

unconditionally and irrevocably guaranteed by

Landeskreditbank Baden-Württemberg

DEUTSCHE BANK AKTIENGESELLSCHAFT

J.P. MORGAN GMBH

SALOMON BROTHERS AG

DRESDNER BANK

MORGAN STANLEY GMBH

INDUSTRIEBANK VON JAPAN (DEUTSCHLAND) AKTIENGESELLSCHAFT

SCHWEIZERISCHE BANKGESELLSCHAFT (DEUTSCHLAND) AG

ABN AMRO BANK (DEUTSCHLAND) AG

MERRILL LYNCH BANK AG

TRINKAUS & BURKHARDT

COMMERZBANK

BANQUE PARIBAS (DEUTSCHLAND) OHG

CS FIRST BOSTON EFFECTENBANK AKTIENGESELLSCHAFT

NOMURA BANK (DEUTSCHLAND) GMBH

S.G. WARBURG & CO. GMBH

BAYERISCHE VEREINSBANK

GENERALE BANK

WESTDEUTSCHE LANDESBANK GROZENTRALE

SCHWEIZERISCHER BANKVEREIN (DEUTSCHLAND) AG



Christiania Bank og Kreditkasse

given that the Rate of Interest has been fixed at the interest payable on the relevant interest Payment 0, 1994, against Caupon No. 16 in respect of all of the Notes will be US\$26.194 and in respect mind of the Notes will be US\$6,548.61.

Nay 10, 1994, Landon by: Citibank, N.A. (Issuer Services), Agent Bank *CITIBANC*

German City Estates N.V. established at Amsterdam

Notice is hereby given that at the annual general meeting of shareholders held on 6 May 1994 the dividend for the year 1993 was fixed at Dfi 0.65 per share of Dfi 5.00 nominal value.

The dividend, ices 25% dividend tax resulting in a not payment of Dd 0.4875 will be payable as from 17 May 1994 at any office of Internationals Nederlandes Bank

Cash dividends on shares in K form will be paid in exchange for coupon answer. Those holding CF shares may claim dividends through the holder of the dividence through the holder of the dividence.

Amsterdam, 10 May 1994 The Board of Directors

Man Company of the Co

A family distribute was

to be used to the state of the

The state of the s

the second of th

N. Larrence (Tr.)

the total war that prices

to the state of the state of

the state of the s

then their

Burns Philo

lifts profits

to 1846m

" of the sec

E. .

1.1415

A 12.5

10.00

the design of

3.1 12

13 m 5% 🕹

 $\lambda(s) = s + \epsilon - \epsilon + \epsilon \log \epsilon s$

MON BROTHERS AG

resident to be inspare

THE SECRET OF BUILDING

05 km 97 注 98 注 98 注 103 ½ 103 ½ 107 ½ 1

ATTAL.

Br Nise, Tay

was been properly

in New York and Sara Webb in London

the state of the s US Treasury prices fell across the maturity range yesterday morning as tradera and investors expressed disappointment at the Federal Reserva's decision not to tighten monetary policy.

GOVERNMENT **BONDS**

At midday, the benchmark 30-year government bond was down # at 84%, yielding 7.607 the control of the co per cent. Prices were also lower at the short end of the market, with the two-year note down is at 98%, yielding 6.199 per cent. Under

normal circumstances, a tightening of Fed had not tightened, prices Fed policy would trigger a fell further, although analysts sell-off. However, the bond were still convinced that rates market plunged late last week would be raised soon, probably

economy would eventually fuel a revival of inflation, and over the weekend market participants were looking to the Fed to raise interest rates

early this week as a measure to slow the pace of economic Consequently, when the Fed funds rate inched up from 3% per cent to 4 per cent yesterday morning in anticipation of a policy tightening, the market expected the Fed to signal that

it was happy with the new, higher rate. The Fed, however, did just the opposite, intervening in the market to push the Fed funds rate back down to 3% per

Once it was clear that the

bonds opened on a weak note in response to the decline in the US Treasury market on Friday afternoon, and spent most of the day Fedwatching in the expectation of seeing a hike in short-term US interest rates.

European bonds ended down from their previous close, and dealers said the focus this week was likely to remain the strong likelihood of a rise in short-term US interest rates and the prospect of further interest rates at the repo today and at the Bundesbank council

meeting on Wednesday.
In Germany, the Bundesbank issned DM3bn of the Treuhand's new 10-year bond session, then climbed back credit, they point out that the 112.73.

Warm welcome for Toyota Motor Credit Corp Y50bn issue

after signs of a strengthening before or on May 17, the date of which has a 6% per cent up to 94.34 and traded at chances of another cut in the labour market had deepened the next open market coupon. The bonds were placed around 94.28 by late after that an overheading committee meeting at the at an issue price of 100.40, noon. yielding 6.69 per cent.

European government out of existing 10-year Treuhand and Federal paper in response to the cheap pricing of the new issue, but added that there were no signs of new cash coming into the market.

market today will he the announcement of the Bundeshank's weekly repo result. The market expects to see a further 5-10 basis points shaved off the repo rate which is currently at 5.41 per cent - with the prospect of a declines in the most follow-up cut in the discount keenly-watched Garman rate (now at 5.00 per cent) on rate (now at 5.00 per cent) on Wednesday at the Bundesbank council meeting.

The bund futures contract opened at 94.15 and touched a

In France, the central bank further. Dealers reported switching left key rates unchanged at yesterday'a repo, hut dealers said that if the Bundesbank cuts at today's repo this could pave the way for a further cut in French interest

The focus for the hund I UK government honds opened aharply down in response to Friday's US Treasury bond sell-off, but then clawed back some of their losses leaving long-dated gilts to close about % of a point lower on the day. Trading volume was relatively thin, however.

The release of strong UK consumer credit data for March yesterday showed that the economic recovery remains healthy, dealers said. With a £516m ries in net consumer

The main focus for the gilt market on the domestic front is the release today of the Bank of England's Quarterly hulletin and inflation report. This is expected to show that inflationary pressures remain

■ Japanese government bond prices held up well and closed higher on the day, helped by domestic buying as investors returned from the Golden Week boliday

yesterday. While cash bond and futures prices suffered losses initially on the back of Friday's US payroll figures, the market later made up for lost ground. The June futures contract opened at 112.26 and fell to a low of 112.13, then ended at

almost twice as much as last priority.

Schroder Ventures raises \$100m for healthcare fund

By Daniel Green

Schroder Ventures has raised \$100m for a venture capital fund to specialise in life sci- pared with a target of £100m_ ences including biotechnology and healthcare services compa-

The International Life Science Fund is Schroder Ventures' first fund to invest in several countries and in a specific industry, said Dr Henry Simon, a partner and head of the investment team.

The vehicle is a 10-year closed-end fund. About 60 per cent of investors are in the US, 27 per cent in the UK and the remainder in continental Europe and the Middle East,

The \$100m was raised over an 18-month period. This was longer than expected, conceded Dr Simon. He said that US investors had been cautious about an international fund, and Europeans were wary of venture capital vehicles. All of bealthcare reforms on the profitability of the sector.

Nevertheless Schroder Ven-tures succeeded in raising

month's Rothschild Asset Management's International Biotechnology Trust which secured less than £40m, com-

The Schroder Ventures trust will invest in several sectors within healthcare in Europe and North America. Pbarmaceuticals and biotechnology should take about

40 per cent of the total. The fund will seek companies researching into disease areas such as cancer and virus infections, and those involved in technologies such as gene therapy and transplants.

Between 5 and 10 per cent will go into each of: Healthcare services, such as specialised clinics: diagnostics, such as bome

 medical devices including scanners and monitoring: and environmental products and services such as biochemi-

cal waste treatment The fund will invest a significant proportion of its capital as seed money and early stage investment.

UK companies will be a high

Japan, but lead manager Mer-rill Lynch also reported good institutional investors. Yieldhad concerns about the impact

By Conner Middelmann

Primary activity was subdued and most investors remained on the sidelines as the markets continued their tense vigil for the US Federal Reserve's next monetary tightening move.

INTERNATIONAL BONDS

Only the Euroyen sector saw a spurt of activity, prompted by the return of Japanese investors from last week's Golden Week holiday and arbi-

trage opportunities. The largest of the day's four new issues, Y50bn of 31/4 per cent bonds due September 1997 for triple-A rated Toyota Motor Credit Corporation, received a positive market response. Most traders said the hulk of the

demand from non-Japanese accounts. The issue was deemed to be generously priced. They paid due respect to current difficult market con-

ditions," said one trader. Other yen issues included Y15bn of four-year bonds for De Nationale Investeringsbank via IBJ International, Yl0bn of two-year paper for the Urban Mortgage Bank of Sweden via Nomura, and Y10bn of threeyear bonds for Sony Capital Corporation via IBJ. In the French franc sector.

Crédit Local de France, the triple-A rated French municipal financing agency, issned FFr1bn of 7% per cent nineyear bonds via Caisss des Dépots et Consignations and UBS France, which took about three-quarters of the issue.

ing 21 basis points over the 99.59 re-offer price, the issue was deemed to be fairly priced. Landesbank Schleswig-Hol-

stein decided to tap recent retail demand for short-dated dollar paper by issuing \$200m of two-year bonds. Lead manager Lehman Brothers reported good demand from Benelux and Swiss retail investors attracted by the 6% per cent coupon and the short maturity, hnt other dealers said the issue would be slow to place amid uncertain market conditions.

The sterling sector today is expecting a £400m bond issue for Lloyd's Bank, split into a 15-year fixed-rate tranche and a floating-rate tranche. Goldman Sachs, Salomon Brothers and S. G. Warburg are Europe.

Borrower US DOLLARS	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Book numer
LB Schleswig-Hoistein Lux.	200	6.375	25.89R	June 1998	0.15R	+20 (51/-196)	Lehman Bros. (Eur.)
YEN			40.00				
Toyota Motor Credital	50bn	3.5	90.8875R	Sep.1997	0.1875R		Mentil Lynch Intt.
De Nationale Investingsbenk	1 5bn	3.85	100.00R	June 1998			IBJ international
Urban Mortgage Bk of Sweden		3.10	100.00R	Mary 1888		-	Nomura International
Sony Capital Corp.(b)	10bn	3.05#	100.00	Aug. 1997	undisci		1BJ International
FRENCH FRANCS							
Credit Local de Franceiside	1bn	7.25	99.59R	Oct 2003	0.3258	+21 (6%%-03)	COCAUBS France
Gov. Asset-Bled Secs. LUL(s)	1bn	7.625	99.859R	Sep.2002			UBS France
ITALIAN LIRE ABS Int. Financeità	150bn	8.625	100.52	June 2004	2.00		CARIPLO

Otherwise, primary activity is expected to remain thin this week, overshadowed hy narvousness regarding US interest rates and Thursday's Ascension holiday in most parts of

ond-largest savings bank, today is to sign a \$1bn debt programms, arranger Morgan Stanley said. The flexible multi-currency facility will allow Caja de Madrid to issue both public transactions in the

Euromarkets as well as small

FT-ACTUARIES FIXED INTEREST INDICES

141.41

Mon Day's Fri May 9 change 16 May 6

-0.18 -0.48 -0.80 -0.80 -0.44

-0.14 -0.12

142.10 180.07 179.88 139.59

178.19 175.17

private placements. The dealer group will include Caja de Madrid, Chase Investment Bank, Citibank, First Chicago, Goldman Sachs, J. P. Morgan Lehman Brothers, Merrill Lynch, Morgan Stanley, SBC

4.34 5 yrs 5.32 15 yrs 4.06, 20 yrs 6.12 bred.† 4.82

2.53 Up to 5 yrs

Czech paper to support trade

May 9 May 6 Yr, ago May 9 May 8 Yr, ago May 8 May 8 Yr. ago

7,08 8,23 8.12 7,37 8.31 8,23 8,05 8,41 8,33 8,46 8,72 8,62 8,28 8,41 8,33 8,56 8,58 8,49 8,62

2.63 2.60 1.94 3.44 3.43 3.42

9.02 8.46 9.45 8.55 9.43 8.39 8.70

EGAP (Czech Export credit bank this week. The Guarantee and Development Corp) is planning international bond issoes to provide long-term funds which Czech companies can draw upon to support international trade operations, Renter reports from Prague. "We will definitely issue

bonds on the international cap-ital markets," Mr Arnost Bohm, EGAP vice-geoeral-director said.

EGAP is to launch an export

May 9 May 8 Yr. ago

3.56 3.54 2.74 3.62 3.60 3.59

bank, Ceska Exportni Banka, was expected to begin with Kes1.5bn (\$51m) in basic capital, two thirds provided by the National Property Fund and one-third by the Czech National Bank.

A change in Czech banking laws, to allow for the operation of an export bank, has yet to be passed. Mr Bohm said governmeot ministers would probably send the law to parliament hy the end of this month.

	ree-quarters of the Issue. cording to UBS, the deal saw		s joint lea	Warburg are is.	Europe. Caja de	Madrid, Spain's sec	both pul Euromai
WORLD BOND PRICES							-
BENCHMARK GOVERNMENT B	Day's Week Month			SOVY. BOND (ET	P) FUTURES		Price Indicas UK Gate
Coupon Date Price Price Coupon Date Price Price	0 -0.620 7.59 7.60 7.15 0 -0.900 8.71 8.34 7.99 0 -0.450 7.52 7.26 6.87 0 -0.220 6.32 6.22 5.76	Jun Sep	111,00 1 110,10 1	ntt price Change 11.12 -0.27 10.34 -0.30	High Lo 111,35 110, 110,40 110,	55 33853 78523 10 315 2682	1 Up to 5 y 2 5-15 year 3 Over 16 y 4 Irredocras 5 All stocks
OAT 5,500 04/04 88,7700 Germany 6,000 06/03 95,8500	7 -0.040 6.60 6.45 6.23	Strike	GOVT, BONE	CALLS	OPTIONS (LIFFE)	Line200m 100ths of 100%	Index-Unland
aly 8,500 01/04 96,0000 apart No 119 4,800 08/99 108,3810 No 157 4,500 08/03 103,6840	-: #0.130 3.34 3.38 . 3.46	Price 11100	Jun 0.91	. Ser		9ep	6 Up to 5
etherlands	3 -0.400 6.85 6.64 6.40 3 -0.300 9.71 8.49 8.93 5 -12/32 7.85 7.85 7.18	11150 11200	0.66	1.94	1.04	3.10 9.38	7 Over 5 ye 8 All stocks Debentures
9,000 10/08 105-03 IS Treesury 5,875 02/04 89-03 6,250 09/23 84-03 CU (French Govt) 8,000 04/04 89,2400	2 -12/32 8.39 8.17 7.82 5 -27/32 7.46 7.12 6.90 5 -25/32 7.61 7.37 7.25	Spain					9 Debs & Lo Average gross
ndon closing. "New York mid-day Gross finctuding withholding tax at 12,5 per cent payab icea: US. UK in 32nds, others in decimal	Yielde: Local murket standard.	R NOTION	Open Se	BOND FUTURES at price Change	High Lo		FT FIXE
free rate 64. Two month	ary Bills and Bond Yields 4.09 Two year	Jun Sep		95.23 -0.05 94.65 -	95.25 94.6	0 46,478 113,783 215 1,068	Govt. Secs. Fixed Interes for 1994. Gov
roker loan rate 512 Three months	4.11 Three year 9.51 4.23 Five year 7.03 4.80 10-year 7.43 5.40 30-year 7.58	UK NOTION	AL UK GILT F	UTURES (LIFFE)	£50,000 32nds of	100%	26 and Red b
BOND FUTURES AND OPTIONS	ı	Jun Sep	102-29 1	tt price Change 33-02 -0-12 02-06 -0-11	High Lo. 103-08 102-		FT/ISM/
TATICO NOTIONAL FRENCH BOND FUTURES (MATIF)		I LONG G	AT FUTURES		£50,000 64ths of	100%	Listed are the i
Open Sett price Change Hig		Strike Price	Jun	CALLS Ser	Jur	PUTS Sep	U.S. DOLLAR S Abbey Ned Trees
un 118.88 118.84 -0.90 119 ep 117.88 117.88 -0.48 118 ec 118.96 116.98 -0.48 117. I LONG TERM FRENCH BOND OPTIONS (MAT	04 117.62 3,676 16,589 .08 116.80 1,461 3,007	103 104 105	1-12 0-47 0-27	2-27 2-01 1-42	1-00 1-40 2-40	3-15 3-63 4-30	AbertaProvince Austra 8½ 00 _ Bank of Talyo 8 Balgium 9½ 98 .
trice Jun Sep Dec	Jun Sep Dec	COL VOL TOTAL	, cama 1460 Put	a 2780. PTEVIDUS DE	y's open int., Calls 19	ALCHO PUR SEPTS	BFCE 7% N7 British Gas 0 21
19 6.80 1.52 -	0.55 2.23 -	-2.4					Cheung Kong Fi
20 0.40 1.11 1.24 21 0.14 0.70 -	0.94 2.60 - 1.57 2.31	ECU BOI	ND FUTURES	(MATIA)			Chins 5½ (M Council Europe (
22 0.04 0.50 -	3.17		Open \$4	E price Change	High Los	Fat. vol. Open int.	Credit Foncier 9 ² Dermark 3 ² s, 00
st. vol. 1958. (285. 47,478 Pubb 36,512 . Provious day's Referencetry I notional German Bund Futures (Liffe)	DM250,000 100ths of 100%	Jun US	85.65	35.82 -0.38	85.92 85.4	4 1,521 8,089	SCSC 84; 96 SEC 84; 00 SB 74; 96 SB 94; 07
Open Sett price Change Hig un 94.15 94.24 -0.29 94.5	5 93,96 112007 181921		LSURY BOND	FUTURES (CBT)	\$190,000 32nds of	100%	Eucline 94, 86
ep 93.50 98.78 -0.26 93.7	78 93,50 2610 17809	Jun		atest Change 02-02 -0-15	High Lor 102-14 101-1		Ex-Im Bank Japa Export Day Corp
BUND FUTURES OPTIONS (LIFFE) DA250,000		Sep Dec	101-12 1	01-08 -0-13 00-16 -0-17	101-15 100- 100-27 100-	29 9,352 51,352	Pintend 7% 97 Pinnen Export Pi Ford Motor Cred
rice Jun Sep	Jun Sep					4	Gen Bac Capital GMAC 94 96
400 0.78 1.45 450 0.50 1.22	0.52 1.72 0.76 1.99	Japan					Ind Ek Japan Fin
500 0.50 1.01 il. vol. total, Calle 11082 Puls 7813. Previous day's spe	1.06 2.28 n Int., Calls 315782 Puis 294832	MOTTON	AL LONG TE		KOVT. BOND FUT	JPES	bely 6% 23 Japan Dev Bk 6
NOTIONAL MEDIUM TERM GERMAN GOVT. (BOBL)(LIFFE)* DA(250,000 1000/s of 100%	BOND		Ореп (Close Change	High Los		Karea Sec Per Korea Sec Powe
Open Sett price Change Hig		JUST " LIFFE contra	112.75 acts tracked on A	PT. All Open Interes	112.85 112.6 t Ogs. are for previou		LTCB Fin 8 87 Metsushka Bec 7
un 99.95 100.03 -0.08 99.9	9 99.85 48 1789						Norway 7 ¹ s, 97
UK GILTS PRICES						(Ontario 7% 178 _ Oster Kontrolloen
							Poto-Caracia 74 Portugal 54, 08
	1994 Y.	Yield Red Price E + 0	1994. я118ph _Le	-	Hotae (1) (2	Price E +ur- High Low	Quebec Prov 9 B
corte ^{al} (I have on in Sine Verma)	Trees 11 ¹ 200 2001-4 10.06	B.87 114%	-K 129K 114		Ci.		Sainebury 94, 98 SAB 10 98
ema. 100;; i.n. 1994;; 9.95 5.08 10033;; -3. 100 cti 12 ¹ 26; 1994	2.3 10093 Panding 3 ¹ 200 90-4 4.84 FB 102 ¹ s Communicat 9 ¹ 200 2004 8.87	2.44 107.3	-12 7254 1	20 True 20 94 20 20 TS	(1023) - (67.9) 227 13 (135.8) 285 3.5	105 — 131 1956 1 1954 — 205, 1956 5 1053 — 113, 105, 5 1053 — 113, 105, 7 1054 — 113, 105, 7 1054 — 113, 105, 7 1054 — 113, 105, 7 1054 — 1155, 105, 8 1055 — 1 105, 1 1054 — 1 105, 1 1054 — 1 105, 1 1054 — 1 105, 1 1055 — 1 105, 1 1055 — 1 105, 1 1055 — 1 105, 1 1055 — 1 105, 1 1055 — 1 105, 1 1055 — 1 105, 1 1056 — 1 1056 — 1 105, 1 1156 — 1 1256 — 1 125, 1 1156 — 1 1256 — 1 125, 1 1156 — 1 1256 — 1 125, 1 1156 — 1 1256 — 1 1256	SEAS 07 88
12pc 1995 11.47 5.22 10434 - 4 107	2 1043 Cany 9 12 pc 2005 B.ES	R44 1073	-7: 1054 85 -13 12512 107	2 2120c (01	728 216 24	1897 2005 1973 1973 1973 1973 1973 1973 1973 1973	State Sk NSW 8
Oline 1005 978 594 105 -1 107	37 100 100 127 100 100 100 100 100 100 100 100 100 10	6.35 904	-E 143, 125 -E 1128 9	4 2pc 70	(735.5) 3.20 3.5 (69.5) 3.24 3.4	1164 - 1184 1104 7 1704 - 1845 1704	Swedien 5 ² 2 98 _ Swedish Export 8
nes 12-lgc 1998): 11.98 5.21 109 2 1 113 4cc 1985 12.50 6.44 112 2 1 125 58-pc 1998): 11.52 6.73 112 2 1 115 ch 13-lgc 1998): 11.82 6.73 112 2 1 115	112 Opc 2002-611 8.26	8.54 9652 8.82 11776	ール 111号 98 一長 128点 117 一号 119点 108	2 2 20c 11		7154, m - 158, 154, 154, 156, 156, 156, 156, 156, 156, 156, 156	Tokyo Sec Powe Tokyo Metopolis
th 134 pc 1988 th 11.82 6.73 112 cm - 2 117 marsion 10pc 1998 - 9.41 7.22 106 cm - 9 112	45 10045 10-214 07 0	8.82 1302	一、161品 132	2 220 78	#15 3.5 3.5 #15 3.5 3.5 #15 3.5 3.5 #17 3.5 3.5	1 1374 - 1 1464 1374 1 1407 - 1 1574 1407 7 1344 - 1 1528 1344	Inless more 34
- 121 100744 11 AD 7 38 1143 -3 121	H 1143 Trues Suc 2006 # 8.87	8.37 100	-L 1242 104	2 20 744		7 1344 — 1528 1344 5 1124 — 1294 1124 9 1115 — 1284 1118	United Kingdom i World Bank 8 2 9
178 Page 1997計 - 8.08 7.52 103点 一点 176 ch 15cc 1997計 - 2 131 ch 15cc 1997	35 12145			Prospective real	redemption rate on	projected inflation of (1) 10% theses show RPI base for	World Bank 8% 9
PLDC 1908	登 105章 人 98			industry (se 8 m	termis prior to lesue	and have been edjusted to usry 1967. Conversion factor	DEUTSCHE MAN Aught 8½ 24
### 74pe 7998### 7.40 7.84 96	02 96% Over Filters Years 116% Treas Spc 2009		-H 115% 95	8 3.945. API for A	ugust 1993: 141.3 ar	of for Merch 1894; 142.5.	Credit Forcer 74
12 10 HAD 1272a -3a 140	7.88 127.1, Trees 8 1.49p 2010 7.88	8.36 105%	→第 98人 01 →第 126号 105	A CENST PE	ed Interest		Denmark 6 ¹ s 96 . Depta Finance 6 ² s
th 12pc 1909 10.50 6.14 1147 1 125 55 9 ¹ 2pc 1908# 9.02 6.10 1057 11 116	1051 Trans Spc 201211 8.20 Trans 5/200 2008-1211 7.30	8.35 10523	-1 1275 108 -12 937 75	H		1964	Doubte Sk Fin 7 ECSC 85 98
	Trees Spc 201311	8.32 96 kg	-12 1175 96	<u> </u>	Notice Int Red	Price E + or - High Low	EEC 612 00
ic to Fiftnes Years	Trees 84:pc 2017## 8.35	8.30 104%	-33 1284, 104	 Attorn Dev 11% 2 	070 9.23 8.8 009 9.88 8.8	1204 -85 1424 120E	EB 64 00
12 12 12 12 12 12 12 12 12 12 12 12 12 1	3 1064 Beth 12pc 13-17 9.04	8.52 13233± -	-1& 158½ 130	Asian Dev 197400 2 Brings 111200 201 Ireland Can River	842 92	1121 -31 1384 11213 1184 -42 142 11942	hay 74 96

- 451 - 451 - 571 - 361 - 290 - 294

bood interest 1	12.15 112 ecurties high	.91 1	12.98 complete	113.57 lore 12	7.40 (2/1		GET Edi S-clay a high ninc	wormg			104.6 103.3 95.4 67.4 21///49 , low 50.58 (5/1/75)	95.1 100.1 Basis 100	102		103	
FT/ISMA INT	ERNAT	ONA	L BC	ND	SER	MCE					_					
		b for w	hich liher	0 io en	adoqua	to accordary market. Latest prices at		on Me Other	_	VI		Inner	Bld	Offer	-	_
S. DOLLAR STRAIGHT			CAID	4	7783	United Kingdom 7 ¹ s 07 5500		1037	44		Abbey Nati Treasury 6 03 £ .	lesued		937	-l ₂	. YI
bber Nati Teasury 64 00	1000	BD.	90%	-	E.04	Volument Int Fig 7 03 1000	99	993		7.15	Allence Leice 11 ½ 97 £ Solish Land 67, 23 £	100	1064	10924	-14	7.
bernerovinos 9½ 00 ustra: 8½ 00 ustra: 6½ 100		104	1043	4	6.57 7.52	World Bank 9 15 2000 World Bank 5 2 03 3000 World Bank 8 4 00 1250	93 ¹ 2	25 ¹ 2		6.82	2005h Land 64, 23 E	150 637	1053	885 <u>1</u> 1053	4	10. 7.
tank of Takyo 8% 00	100	102 4	10312	4	5.76	World Bank 8%, 00 1250	1124	112 ¹ 2		6.24	EIS 10 97 2	100	1061	10612	٦,	7.
FCE 7% N7	250	105	108 ³ 2	1	7.22 6.93	SWISS FRANC STRAIGHTS					Henson 103, 97 £	500	1055 ₀	1053 ₈	넄	2
High Glas 0 21	1500	104	105	4	8.64	Anium Day Stark 8 10 100	10312	104	-1	5.66	Japan Dev Sk 700 £	400	10912	1097	-3	9
arrects 9 00	1000	104	104 g	3	5.47	Austin 4 ² 2 00 1000	9912	9912	-3	4.60	Japan Dev Sk 700 E	200	33,4	935	-3	8.
heung Kong Fin 5½ 00 hina 6½ 04	1000	85½	854	-	8.45	Ourmark 4 ls 96 1000	100 965a	101	ᅾ	4,74	Land Secs 912 07 £	100	99 ¹ 2	100	72	9.4
bunci Europe 000	100	105/5	TOST	-3-	5.74	Asian Dav Bark 8 10 1000 Austria 4 ¹ 2 00 1000 Cutra Europe 4 ¹ 4 98 250 Darmark 4 ¹ 5 96 1000 EB 8 ¹ 4 04 500	105	10512	•	5.70	Orando 11½ 01 £ Powergen 5½ 03 £ Severn Trent 11½ 99 £	250	9814	885	<u>ئے</u> ا	a
redit Foncier 9½ 99 enmark 3Å, 00	1000	108	1084	3	7,44 6,90	Bec de France 74, 96	110-2	111 110		5.97 5.13	Tokyo Elec Power 11 01 \$	150	11012	110% 110%	4	8.
CSC 814 96	193	103	1035	-4	6.90	Houndal Motor Fin 81/2 97	1072	10312	74	5.94	World Bank 11 ² 4 98 £ Abbay National 0 96 NZS	100	1047	1053g	4	6.
BC 84 00		196	1033	-	BBT	losiand 7-9 00 100	1105	111		5.82	Alabay National 0.96 NZS	100	83 ¹ 8	841	•	8.
8 74 98 B 94 07	1000	1004	102 ¹ 2 105 ¹ 2	4	6.65 7.19	Kobe 53 01 240 Orașio 84 03 400	MIL	106 ¹ 2 104		5.35 5.69	TCNZ Fin 94 02 N2\$	75	106%	106 ⁷ 8 104 ⁵ 8		8.3 5.5
ac de France 9 00	200	1035	1087	3.	7.26	Oxebec Hydro 5 08 100 SNCF 7 04 450	96	96		5.52	Bec de France 84, 22 FFr	3000	1061	1085	-3,	a.
100ms 94, 96	100	104%	101%	7	7.83	SNCF 7 04 450 World Bank 5 96 150	1704 96 ¹ 2	111½ 99	42	5.50 5.21	SNCF 914 97 FFr	4000	107 ¹ 2	107%	-3	6.
El 9% 07 icc de Ferror 9 00 iccent 9 10 iccent 9 14 86 i-th Bark Japan 0 02 iccent Day Carp 6½ 86 intend 7% 97 intend 500 185 185	150	107/2	107%	4	7.34			1104	4-2	5.22	PLOATING RATE NOTES					
riend 7% 97	200	1024	1024		6.62	NEWS - CO. ALCO - CO.						leaved	Bk	. 0	Her	C.c
		104	1045g	72	6.57 7.53	YEN STRAIGHTS Belgium 5 95 75000	104%	1053	44	4.01	Alabay Nati Treesury -16 96	1000	89.21		1,34	3.76
en Buc Capital 61's 96	300	105	105	-4	6.71	Beginn 5 95 75000 BR 6 90 10000 Philand 8 4 86 50000 hair Amer Dev 7 4 00 50000 Laty 3 2 01 50000 Japan Dev 8k 5 96 100000 Japan Dev 8k 5 96 50000 Alipan Dev 8k 5 4 97 20000 Alipan Dev 8k 5 4 97 20000 Alipan Dev 8k 5 4 97 20000	112	113	44	412	Belgium & 97 DM BECE -0.02 00	200	99.75		193	3.67
MAC 94 96	300	103	1022	4	7.00	Finand 84, 96 50000	108%	105%	**	3.06 4.08	BFCE -0.02 00	360	100.05		190	3.41
d Bk Japan Fin 7% 97 ter Amer Dev 7% 00	200	1014	1024	3	7.14 6.76	kalv 3½ 01 300000	9612	95%	+14	4.35	BERTHE U.10 96 E	150	98.94	100	105	5.35
ry 6% 23	3500	62.4	825	-1	8.70	Japan Dev Sk 5 96 100000	10512	1054	+14	3.85	Consda -14 98	2000	98.40		106	4.31 6.25
pen Dev Bk 8% 01	500	1034	103 ⁵ 8	4	7,73 8,51	Japan Dav Bk 5 ¹ 2 01 120000	1144	1143	+4	4.22 2.89	CCCE 0 08 Scu		98.90			5.00
real Sec Per 10 95 rea Esc Power 5% 00	1350	053	857	-14	8.84	Norwey 5 ³ 3 177 150000	1053	10512	والو	3.30	Dermark - 1 96	1000	99.50			3.75
CB Fin 8 87	200	1024	102%	4	7.03	SNCF 84 00 30000	11312	1134	+14	4.08	Dreather Finance & 95 DM . Ferro del Stat 0.10 07	420	100.12			5.46 4.00
CCS Fin 8 87 essuehita Bec 7 ² c 02 pson Gred Bk 10 ² s 85	150	1057	1043	3	8.05 6.76	Money 53 17	103-1	103 ¹ 2	+4	364	Financi 0 97	1000	99.91	99.		3.47
Trees, 7 ¹ s, 97	1000	101	1013	4	6.65	World Bank 514 02 250000	107%	1077	+	4.15	Hullan BS 14 98 £	350	99.97			5.25
nteno 7 ¹ s 97 nteno 7 ¹ s 03 ster Kontrolibenk 8 ¹ 2 01 _	3000	- 98	9514	3	6.16						italy 14 96	2000	99.67			3,44
ster Northoldenk 8·2 (7) etm-Caroria 7 /4 98	200	101	1044	-	7,74 B,70	OTHER STRAIGHTS	100	101		7.46	LIKE Backen-Workt Fin 4 00	1000	99.54			4.56
sto-Canada 7 ¹ 4 98 oragei 51, 08	1000	855	557	-3	a10	Arthed 7 ¹ 2 98 LFr	100	100		7.14	Lloyds Bank Parp S 0.10	800	83.75			4,10
usbec Hydro 9-1; 98 usbec Prov 9 98 instruy 9-1; 98	150	1074	107%	Ą	7,72	MAN DER 0 30 FLL ICO		10212		7,14	Namesia 1 05	1000	99.70			5.25 3.81
1808C PTOY 9 98	200	1054	105%	-3	7.40 7.16	Bank Voor Ned Geon 7 to 02 ft 1000 Energie Schoor 8 to 95 ft 500		103 ¹ 4 111 ² 4		7.16 5.86	Critido 0 99	2020	99.34			3.56
LD 46 66	200	4007	107	3	8.32	Alberta/Province 10% 96 CS 500	1033	1044	٦,	8.21	Plante 0 98 Societe Generale 0 00	500	99.36	89.	.55	3.37
SAE 012 96	800	103	1041	Ţ	6.73	Tell County 105, 00 CC 105	105.1	19612	72	9.26	Steelsbenk Berlin -0.05 p8 ps	200	99.47			4.03 5.66
245 0½ 96	150	1077	105	ᆤ	7.31 7.47	British Columbia 10 96 C\$ 500	103	103 ¹ 2 106 ⁵ 2	4	8.35 8.30	State Elk Victoria 0.05 99		99.85			3.53
an 8k NSW 5-7 96	200	133	10312	-	6.93	BS 10 ³ s 96 CS 130 Bec de France 9 ³ s 39 CS 275	1034	1043	3	8.62	Sweden 0 98	1500	100.19	100.		3.75
radian 5 ⁷ 2 98	2000	2214	20.5	4	6.08	Gen Elec Capital 10 96 C\$ 500	1027	1033	4	8.42	United Kingdom - 2, 96	4000	88.79	99	85	3/12
1970 Detrical 20		100	103	4		XTW let Fig 10 01 C\$ 400	104	1047	-79	817	CONVERTIBLE BONDS					
igo Sec Power 84 86 igo Metopolis 84 00		1037: 1031:	1044	才	6.84	Nippon Tel Tist 10 ¹ 4 99 C\$ 200 Ontario 0 96 C\$ 1500	105 ¹ 4 93 ¹ 2	105% 93½	-12 -14	8.96 9.35			oru,			
yota Motor 5 98		95	05 ¹ 2	٦,	7.07		1087	1074	4	9.08		baued 1	Hice	BIG 0	Her I	Press
ated Kingdom 7's 62	3000	98%	971	پَدِ	7.75		1054	100	4	5.53	Stronging-Fests 64, 00	400 9	21/2 9	90% 0	112	169.4
odd Bank 8½ 99 odd Bank 8½ 97	1500	1047 1054	1054	7	7.40 6.83		104 ¹ 2	1054	4	9.22 6.32	Chubb Capital D 95	_ 250		02 ¹ 2 100		+13.0
NU DER PER PE	1000	T-CO-	MAP 2	•	400	Council Europe 9 01 Ecu 1100	1077	1084	-32	7.57	Easterner Kodak 6% 01 Gold Kalgoorie 7 ¹ 2 00	_ 500 41 65 1.0		100 ב ¹⁷⁷ 2 100 110 ב ¹⁷⁸ 2 110		-1.5 436.6
EUTSCHE MARK STRAK						Credit Lyonneis 8 98 Ecu 125	104	104	7	6.80	Henson 91 ₂ 96 C			(3 ¹ 2) 14		+10.2
24	2000	881g	88 ¹ a	7	7.50	EB 10 97 Equ 1125 Ferro dai Stat 10% 98 Equ 500	100%	106 ³ 4 100 ³ 4	4	271 7%	Harrier Pref 6 02	., 400	IB.1 13	15 ¹ a 13	8 ¹ 2	
edit Foncer 71e 03		100%	10012	44			11412	1143	3	7.25 7.62	Land Secs 64, 02 £			21 ¹ 2 10		+1.1
pta Finance 6% IIS	1500	95%	96	-3	6.88	Spein 9 95 Equ 1000	104	105	•	6.37		00			614 80 ·	+14.1
utete 8k Fn 7 2 03	2000	1024	1027	**		United Kingdom 9 ¹ g 01 Ecu 2750	109	10014	4	7.38	Mount lea Fin 612 97	_ 100 2:				+17.3
SC 8 ⁴ 3 98		10612	1064 1005	냨	5.84	ADC 10 99 A\$ 100 BP America 12 ¹ a 96 A\$ 100	1074	107%	7	9.07	Nati Power 84; 00 £	_ 250 4	.33 10	16 ¹ 9 1	107	10.6
C 6½ 00		100%	25	Ţ	6.40		1194	11952	그	7.80 9.06	Ogden 6 02 Penraoi 43 03	96 39				158.5
iand 7 ¹ 2 00	3000	1037	T04	•	6.85	Bisportiners 12% 96 AS 75	196	108		6.34	Sumiliomo Benk 3 ¹ 2 04	_ 500 11 _ 300 360				+23.5 +15.8
74 98	3000	103	1033				1055	10914	-3-	6.80	Sun Allence 714 08 £	_ 155		100 100		+17.1
nesy 6 ³ y 95		10012	10012	.	7.16	NSW Tressury Zero 0 20 A\$ 1000 R & J Benk 7% 63 A\$ 125	9 ¹ 8	912	-1 ₄	9.44 9.75	Tesco Capital 0 05 8	200 2	251 11	6 ¹ 4 117	1	31.
tario 6% O4		93%	937					88		9.75	Texas iretruments 24 02	300 E	2 % 10	14 ¹ 4 105		+14.0
in 71, 00		100%	101	-14	7.13	Sth Aust Govt Pri 0 02 AS 150	96	96.2	-14	9.70	No information available - p	سياس سيشيخ			-	

N Brown rises 18% but Babcock cautious on recovery

By Paul Taylor

N Brown, the Manchestarbased direct mail-order group which specialises in clothing for older women, yesterday reported an 18 per cent increase in full-year pre-tax

For the 52 weeks to February 26 profits were £22.5m, against £19m, on turnover ahead 9.8 per cent to £186.8m (£170.8m). Earnings per share were 17 per cent higher at 20.83p (17.74p), and a final dividend of 5.75p makes a total of 8p (7p). The company also announced plans for a 1-for-1 bonus share issue to improve the shares' liquidity.

The shares closed up 2p at 477p. Sir David Alliance, chairman, said the current financial year had started well but he remained cautious about the rate of general economic recovery and its impact on the husi-

The profit improvement reflected sales gains by the

and a turnround in the financial and property services operations

Overall operating profits grew by 12 per cent to £24.7m. (£22.1m). The boma-shopping business increased its contribution by 8.5 per cent to £24.5m (£22.6m) on sales up 9.4 per cent to £179.8m (£164.3m.) Mr Jim Martin, chief executive, said the sales increase reflected a 2 per cent gain in the total number of customers and a 7 per cent increase in their average spending.

The group's long-established catalogues for older women accounted for 77 per cent of group turnover, while Fashion World and Candid, both introduced four years ago and tar-geted at the growing number sumers in the 35-50 age range, increased their turnover by more than 40 per cent.

Financial and property services reported a \$427,000 operating profit, compared with a £273,000 loss on turnover up 7 per cent to £7.05m (£6.59m). The pre-tax figure was also helped by a sharp decline in interest costs to £2.15m (£3.3m) reflecting lower interest rates and reduced borrowings. Year-end gearing fell from 37 per cent to 28 per cent.

Despite the chairman's cautious remarks Brown's results were at the top end of analysts' forecasts and the core mail-order business continues to perform well by emphasising product range, value and customer service. The group claims 23.1 per cent of the £336m a year direct home-shopping market, and ranks sixth in the combined £4.4bn agency and direct home-shopping market, leaving plenty of room for domestic organic growth. Demographics ara working in the group's favour and this, coupled with the introduction of new catalogues aimed at a slightly younger customer, should keep sales moving ahead. Pre-tax profits of about £25.25m look possible producing earnings of

Prowting land price warning tained final dividend of 1.7p making a same-again total of

ahout 23.4p. The stock's 20.4

prospectiva multipla looks high, but it is deserved.

By Andrew Taylor.

Sharply rising land prices are threatening to undermine returning profitability of housebuilders, Mr Terry Roydon, chief executive of Prowt-

ing, warned yesterday.

The south of England housebuilder has only just returned to the black making pre-tax profits of £4.12m during the 12 months to the end of February. This compared with losses of £4.87m during the previous 12

Mr Roydon said thet land prices in southern England had risen by an average of 20 per cent in the past year. Much of this increase had occurred since January 1 as builders had begun to spend proceeds

Increased land costs could only be justified if house prices were to rise more rapidly. Prowting owned 6,000 housing plots with planning permis-

ston equivalent to six years'

supply at current rates of building. The company, which last year sold 664 homes at an average price of £88,000, plans to increase sales to about 1,100 in the current year. Recovery, Mr Roydon stated,

had been aided by the acquisition last September, for £22.6m, of Galliford Homes, which contributed gross profits of £5.51m from the sale of 284 homes during the second half.

Overall gross profits rosa from £8.8m - before exceptional debits of £4.9m - to 210.4m as the group'a existing housebuilding operations benefited from the housing market recovery. Profits from holiday homes in Portugal rose from £205,000 to £278,000 in a difficult market.

The absence of provisions, following write-downs of £4.93m in 1992-93, and lower interest charges of £2.23m (£4m) also helped the group's return to pre-tax profits. As promised last September the company is paying a main-

3.4p for the year. This is just covered by earnings per share of 3.5p (7.9p losses).

• COMMENT Prowting's land bank, includ-

ing 2,000 plots acquired with Galliford, is in the books at an average cost of £11,400 per plot, or £130,000 an acre - a slightly higher price than 12 months ago but enough to provide a more than healthy margin of 17.2 per cent. To replace this land would cost £250,000 an acre at current prices. Few househuilders will achieve better margins. The company's virtues, however, are already recognised in a share price which has outperformed the sector by a fifth during the past 12 months. Pre-tax profits of £9m would put the company on 21 times earnings which is high enough given Prowting's justifiable concerns over the mismatch between land and house price increases.

ends year with £41m deficit

Babcock International. the engineering contracting and materials handling group, yes-terday announced a pre-tax loss of £41.2m for the year ended March 81. compared with a profit of £21.1m last

The result is exactly in line with preliminary estimates announced on April 21, when Babcock unveiled a 4-for-7 rights issue to raise about £78.6m. a new three-year cor porate plan and a major restructuring of its energy

The shake-out, involving 420

more job cuts at Babcock's Renfrew plant in Scotland, produced a £25m provision for restructuring, the main reason for the sharp fall into loss. There was also a £7.9m provision on discontinued busi-nesses in South Africa, offset

by credits totalling £3.4m. Before the exceptional items, the pre-tax loss was £11.7m (£34.1m profit). Turnover rosa from £748m to 2805m, of which all but £3.7m. came from continuing busi-

As stated last month, Bab-cock is not paying a final divi-dend – it paid no interim either. The board said it would resume payments once the gronp's performance has improved in line with the expected benefits of the new

corporate plan. After tax and minorities, the retained loss for the year was £45.5m, compared with a deficit of £2,02m in 1992/93, Losses per share, on a nat basis, were 8.46p, compared with earnings of 1.72p.

Bahcock also yesterday issued a pro-forma balance sbeet showing the effect of the rights issue as if it had been received on March 31, This assumes that £41.3m of the proceeds has been sat off against horrowing and the remaining £37.3m has been added to cash and bank bal-

Net assets on the pro-forma balance sheet are £126m, compared with a reported £47.3m at March 31 and £92.9m in

All change on the Weston front

Maggie Urry looks at the reorganisation plans for AB Foods

rearrangement of Asso-ciated British Foods' ownership belies the simplicity behind the plan.
The need of the majority

owners - the 40 or so members of the Weston family - is to make their tax planning easier, while the minority shareholders of AB Foods, with 37.3 per cent of the company, need to be assured that they are not heing disadvantaged in any

The answer will be to transform George Weston Holdings, the current immediate parent of AB Foods, into an exact replica of its subsidiary, get a listing for its shares and change its name to Associated British

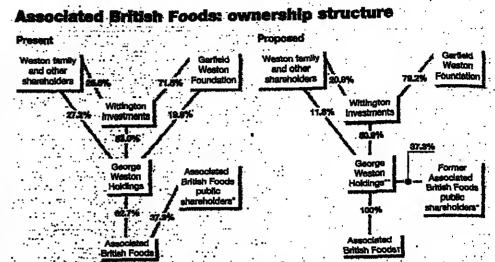
Minority shareholders will end up with exactly the same number of shares in a company with exactly the same assets, and exactly the same board of directors. One layer of the hierarchy of ownership will have been remove

The deal requires approval from 75 per cent of those minority shareholders who vote at a special meeting on June 20. For their trouble, shareholders will receive a 10p a share special dividend, which compares with AB Foods 15p total payment last year. The entire cost of the exercise, which runs into millions of pounds, will be borne by the family.

Lazard Brothers is advising the Weston family and Robert Fleming is advising AB Foods and its minority shareholders. Fleming said yesterday it was sure that these shareholders would be no worse off through the deal.

One difference that the rearrangement may make, though, is that trading in the shares could become more liquid. Part of the Weston family's holding will in future be a direct 11.8 per cent stake in the quoted

Another is that AB Foods will in future comply with the same period the family has



Cadhury code on corporate governance. Two non-executive directors are to be appointed committees set up. This suggests at least a formal bow to institutions' desire to see a

board shaped more in the "normal" public company mould. However, Mr Garry Weston, chairman of AB Foods, appears to have a dim view of the Cadbury guidelines. He says the two non-executives would "do the job the institutions want

done. The KGB job". He says that AB Foods "has been run for the benefit of shareholders because the family are the shareholders. There are no Rolls Royces, no chauffeurs. I don't think we need to be taught anything about cor-

porate governance."

And he insists the family intends to retain control of the quoted company. He believes that family ownership has given AB Foods a long-term investment timescala, and allowed it to grow organically from a market capitalisation of £91m when he took the chair in 1967 to £2.7bn now. Over the increased rather than cut its stake, and no new shares have been issued. But the reorganisation could

be a small step on the road to an eventual reduction in the family stake below 50 per cent. If that happens, AB Foods could lose the advantages Mr Weston sees in family control for the sake of a becoming a company with which institutional investors feel happier. The reorganisation will

make the ownership structure slightly less complex than the one set up by Mr Weston'e

t present, GWH holds a AB Foods, and holds other assets worth about £300m. These comprise £230m of cash, mainly dividends accumulated from AB Foods over the years, plus a controlling stake in Fortnum and Mason, the Piccadilly dapartment store, and some property investments. This company has been regarded as the "family money box" but the family has been unabla to get its hands on the cash.

The plan is for GWH to sell the non-AB Foods investments mainly to its parent, Wittington Investments, and buy in 10 per cent of its share capital, paying £100m in cash to family members in the process and increasing the stake in GWH held by Wittington and by the Carfiel Weston Foundation, a charity. GWH will also pay a dividend to its sharehold and sell its non-AB Foods

assets to Wittington. That will leave GWH with its stake in AB Foods and about 260m in cash, which will cover the £45m cost of a 10p special dividend to shareholders, and the costs of the reorganisation. including stamp duty.

The share capital of GWH

will then be reorganised to replicate that of AB Foods, and GWH will make Its 1-for-1 share offer to AB Foods share-

holders AB Foods listing will terminate on Friday July 29 and the renamed GWH will obtain a listing with the shares due to start trading the following Monday, August 1. The special dividend will be paid on October 14.

Disposal helps API to 54% interim growth

By David Blackwell

The disposal of its heating and ventilating business helped API Group, the packaging, coatings and office products company, to lift interim profits by 54 per cent.

Pre-tax surplus for the six months ended April 2 rose from £1.97m to £3.01m, while turnover improved 14 per cent to £37.4m (£32.8m), with £1.39m (£1.78m) from discontinued Mr Michael Smith, chief

executive, said he was pleased

with the growth adding that the second half was traditionally stronger. The group had the capacity to make sales of £100m "with very little capital Operating profits ware

£2.81m (£1.97m), including £185,000 from Diffusion Environmental Systems, the heating and ventilating business

sold in February for £1.5m cash, giving a profit of £815,000 after expenses.

Earnings per share rose from 6.4p to 9.55p. The interim dividend is lifted from 3.35p to

The foils and laminates division, which makes packaging, reported operating profits up from £1.37m to £2.11m on turnover of £24m (£20m). Mr Smith said the division had benefited from new products and growth in market share. It had also worked hard to keep stocks down and to speed up response

The coatings and office products division improved sales from £11m to £12m, with operating profits just ahead at £1.17m (£1.14m). The division suffered from the volatility of the Swedish krone, which had a negative effect equivalent to £230,000 on Tenza, based in

Sidlaw shares fall 11p as margins are squeezed

By Andrew Bolger

Shares in Sidlaw fell 11p to 338p after the Scotland-based packaging, oil services and textiles company said it was

suffering margin pressure. Turnover leapt from £71.5m to £150.4m in the six months to March 31, thanks mainly to flexible packaging business which it bought for £79m from Courtaulds last July.

Group pre-tax profits rose 49 per cent to £6.9m and operating profits were 68 per cent

Mr Dighy Morrow, chief executive, said he was pleased with the progress made by all three divisions. In particular, the recently acquired flexible packaging business had met expectations so far and had been comfortably integrated. The packaging division'e

sales rose from £20m to £83m

£317.6m.

and operating profits increased from £2m to £5.5m. Although sales and orders beld up well, the group said price pressure was relentless and affected profits perfor-

Oil services increased sales to £52m (£34m) and operating profits by 2 per cent to £3m. £274,000 in the Snpplylink joint venture set up in 1992 to offer logistics services internationally.

Mr Morrow said that he now expected Supplylink to break even next year - a year later than expected. Without that loss, the division would have shown profit growth of 7 per

The textiles division increased operating profits by 9 per cent to £326,000. Earnings per share rose to 9.1p (8.8p) and the interim dividend was 4.5p (4.25p).

11/1

A STREET STREET

BMA links up with Air Canada

By Jenny Luesby and British Midland Airways yesterday announced a com-

mercial link-up with Air Can-ada, which will allow the airlines to offer seats on each others' services. The code-sharing arrangement, which will require gov-

ernment approval in Canada and the UK, is due to start on BMA's anno lows the deal last month between Virgin Atlantic Airways and Delta Air Lines, the third-largest US carrier, based on a similar code-sharing agreement. However, Virgin

and Delta also announced

their intention to take np block bookings of each others' seats, which BMA and Air Canada will not be doing. The link will allow Air Canada to connect with BMA from Reathrow to Glasgow, Belfast, Edinhurgh, Leeds, Bradford and Teesside. Passengers will be abla to collect their connecting flight board passes and select seats at the point of

BMA began similar codesbaring arrangements with United Airlines of the US in April 1992, and with American Airlines in November 1993. and yesterday said it would be pursuing further such deals. Meanwhile, Mr John Mac-Gregor, the transport secretary, yesterday confirmed to the Commons that ha had recently put new proposals to the US in an attempt to break the deadlock in talks over the liberalisation of air services.

BPC joins market with £250m tag labels, and books and journals. It produced oper-

By Paul Taylor

British Printing Company, the UK's largest commercial printer, confirmed yesterday that it planned to come to market via a placing and public offer this summer, which is expected to value the group at £250m

BPC, known as BPCC before its January 1989 nanagement huy-out from the late Mr Robert Maxwell's business empire, claims a 20 per cent ahare of the UK magazine printing market. It prints more than 1bn magazines each year including eight out of the top 10 weekly maga-

zines. Among its titles are the Radio Times, TV Times, Bella and Woman's Own. The group operates three main printing businesses, magazines and catalogues, cartons and

come to the market because of the recovery in the printing market. He said a listing would enable the group to take full advantage of improving economic con-

ditions and reinforce the group's reputation in the markets It serves

Since the huy-out the management has restructured the group which now operates from 25 main locations and has a workforce of 5,100. A £110m capital investment programme has been undertaken.

ating profits of £19m last year on turnover of

Commenting on the flotation plans, Mr John Holloran, the chief executive who led the man-

agement buy-out, said now was the right time to

APH listing this month

By David Blackwell

Automotive Pracision Holdings, a precision engineering company that exports 80 per cent of its products to North America, is planning to come to the market later this month with a valuation of around 250m.

The company was bought by the management four years ago for a total of £5.7m from Hunting, the defence, aviation and oil group. Mr Stefan Pet-szaft, managing director, said

the team of five managers in the buy-out team were expecting to retain 50 to 55 per cent of the equity after flotation. The company would receive only £2.5m of the new money which would be used for costs, repayment of borrowings and additional working capital.

APH was breaking even on turnover of £14m at the time of the buy-out. Last year profits before non-recurring items were £4.9m on turnover of £17m. Pre-tax profits were

DIVIDENDS ANNOUNCED Corres . Total for year Total lest year 3.35 1.1 5.05 8.25 1.25 1 1.7 4.25 11.65

1.71 4.5 Dividends shown pence per share increased capital. SUSM stock.

1,5 3

Maid shares rise on bullish statement

By Paul Taylor

Shares in Maid, the business information supplier, rose by 4p to 74p yesterday after the group, which came to market via a placing in March at 110p. issued a bullish trading state-

Maid's board said trading results for the current year are ahead of budget and significantly ahead of the same

period in 1993". The statement added that, new clients have been acquired at a rate considerably in excess of last year and the

Mr Dan Wagner, the chair-man, said that the statement had been issued in response to a broker note forecast, issued by Hoare Govett, the group's stockbroker, which he stated forecast a film profit this year

high rate of renewals has been maintained." and a £5m profit for 1995.



Pausing for breath at B&J

By Andrew Bolger

1 front

100 mg 100 mg 100 mg 100 mg 100 mg

the way of the

w Fort.

the street

The State of the S

and swings

 $a)_{m}\colon \tau_{2}$

1 1

Service Agency

es fall Hp

are squeez

(x,y) = (y,y) + (y,y) = 0

the first of the laboration

10 March 1980

 $(x,y) = (x,y,y) \in \partial \Omega$

Market Commence

£250m m

Attack share

 $(x_1, \dots, x_n) \in \mathcal{C}_{n+1}$

4.5

and the second of the first

. 2.30

10.00

15 7 6

.

The Village

Will will also

V7 53

lin pro-

William De

itructure.

Shareholders in Brown & Jackson, owner of the lossmaking Poundstretcher chain of discount stores, will have several weeks to weigh rival offers for the group, which yesterday revealed a further recent deteri-

oration in sales. An extraordinary general meeting called to approve a capital injection by the Weisfelds, the millionaire couple who created the What Everyone Wants discount clothing chain, was yesterday unanimously adjourned so that shareholders could also receive details of the latest rescue proposal, from Pepkor, South Africa's biggest

retail group.

The Weisfelds had offered to inject an for a 19 per cent stake and two seats on the board. If their

about £28m, their stake would have reached 42 per cent. Pepkor has proposed injecting an initial £20m, but will receive a 63 per cent stake if it puts in the full £56.2m proposed.

Mr John Jackson, B&J's chairman, said yesterday's meeting was being held in "slightly unusual circumstances", in that the board had initially recommended the Weisfeld scheme, hut had then switched its support to the Pepkor offer, which was only agreed late on Friday.
Mr Gerald Welsfeld said: "What this

company needs is not just cash, but expertise and individual experience in this sector.

Mr Weisfeld also said that B&J had not given satisfactory assurances that Mr Philip Green had not and would not become involved with the Pepkor offer. Mr Green was chairman of Amber Day Holdings when it bought WEW from the Weisfeids in 1990, but the couple resigned the following year after policy disagree-

Mr Jackson said he had received categorical assurances from Pepkor that neither Mr Green, not any other third party, was involved in the South Africans' pro-

Yesterday's egm was adjourned until May 31, when the Welsfeld offer seems likely to be voted down. Another egm to consider the Pepkor offer will be called three weeks after a circular datailing the South African offer is posted, which is

B&J said that its current financial diffi-culties had led to some creditors delaying supplies and in the last four weeks like-

Parkland returns to black with £2.2m

By Simon Davies

Parkland Gronp, the Bradford-based textile company, yesterday announced its return to profitability in the year to February 27, helped by the write-back of provisions and a 19 per cent increase in sales from continuing operations.

Pre-tax profit amounted to £2.2m, compared with a £1.6m loss a year earlier. However, the 1993 figure was hit by a £704,000 provision, of which £894,000 was written back in the latest results, following the disposal of Maitland.

The management is predict-ing more modest sales growth in the current year. It expects to achieve further reductions in its cost base, but in the ion-ger term it could be affected hy increasing raw material costs, primarily wool. The share price fell 18p to

220p, as a result of yesterday's



Last year Parkland disposed of its remaining garment manufacturing businesses to refocus on its core area of spinning and fabric production. Total turnover for the year was down from £58.9m to 254.8m, but sales from continuing businesses increased aharply from £44.1m to

Parkland has made a substantial push to expand its export markets, and export sales increased by 24 per cent to £11.4m, representing 22 per cent of total sales from continuing businesses. Gearing has been reduced

from 31 per cent to 16 per cent, and Mr Bryan Lodder, chief executive, said the company would increase capital expenditure from £2.5m in 1994, to maintain its position in an increasingly competitive

The company is proposing a final dividend of 3p, making a total of 5p for the year, com-pared with 2p in 1993. Earnings per share on a net

basia amounted to 19.7p. against losses of 19.3p last time. On a nil basis thay emerged at 21.1p (18.7p).

Pearl Group, the life and general insurer,

achieved a 40 per cent increase in pre-tax

profits to £130.3m for the year to end-De-

cember, helped by a steep rise in unit trust

sales which offset a sharp fall in single

Mr David Gordon, chief actuary, said the

prime cause for the fall in single premium

products was the closure of Pearl's inter-

mediary sales unit, as the company

focusad on its core husiness areas

premium business.

Costain's coal activities in US hit by bad weather said later that it had suffered increased shareholders' fund of

By Andrew Taylor, Construction Correspondent

Shares of Costain, the construction and mining group, fell almost n tenth vesterday following a warning that US coal profits had been hit by bad winter weather and operational problems during the first three months of this

Sir Christopher Benson, chairman, told the annual meeting that it would not be possible to recover the profit shortfall during the remainder

of the year.

Costain's share price fell from 33p to 30%p. The group

from some minor geological problems which now had been resoived.

Costain returned to the black last year making pre-tax profits of £68.7m compared to a £204.6m loss in 1992. All but £200,000 of the 1993 figure arose from the sale of the group's Australian coal mining business to Peabody, part of Hanson the industrial conglomer-

The sale, together with proceeds from last autumn's £83.9m rights issue, enabled Costain to reduce net debt from £331m to £83m and gearing to 37 per cent of

Since the year end the group has sold its remaining Australian property interests for A\$27.1m (£12.8m), making a small profit on the deal. The engineering and construction division bad also won some valuable new contracts. Sir

Christopher said. Nonetheless. conditions remained very difficult in the UK and overseas. UK construcreports of increased orders won hy the industry, remained slim. As a result Sir Christopher said short-term profitabil-ity remained under pressure.

Confident of adding some pep

Mark Suzman on the rationale for Pepkor's interest in Brown & Jackson

Penkor believes the strat-egy which has built it into South Africa's largest retailer will help it turn round Brown & Jackson, the troubled British retailer which it is seeking to control.
"We've felt for a long time

that our 'Pep retail formula' would be applicable anywhere in the world with a large, low-income mass market," says Mr Christo Wiese, Pepkor's execu-"We have a lot of experience

in running a large number of relatively small retail outlets over a wide geographical area with a highly simplified and effective distribution system that we think will be applica-ble to the UK market," notes

Building off its domestic hase, Pepkor has been focusing on overseas expansion for several years, and by the end of last year its Scottish chain, Your More Store, had grown to

Operations have been relatively successful to date, with 13 new stores opening in the first half of financial 1994 and another three in the second. Despite the costs of the expansion programme, the group has managed to break even and states that most of its stores are profitable. However, Pepkor's manage-

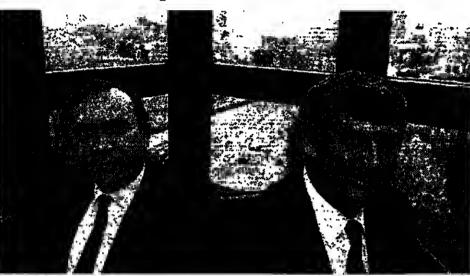
ment has long had its eye on expanding into England, especially the north, with a declared long-term target for a 200-store chain. The acquisition of Brown & Jackson, with its 230-store

player in this sector of the British retail market. Turning Poundstretcher around will be a tall order, but

Poundstretcher chain, would

more than satisfy that goal and

turn Pepkor into the biggest



Christo Wiese (left) and Arthur Louw, Pepkor's vice-chairman: confident they can do the job

Mr Wiese and his team are confident they can do the job. And although there is some concern over whether the company has sufficient management breadth to digest these acquisitions without diluting management for its domestic questions, the company is sure this will not

"We have sufficient management depth to help Poundstretcher return to profitability without any problems for our southern African operations," says Mr Wiese.

Papkor, which is Africa's largest retailer with annual sales for R8.24bn, (£1.13bn) has been a star stock over the past five years, posting annual earnings per share gains averdespite a four-year recession in its home market.

It owns 1.700 stores and has southern Africa. It focuses on mass-market retailing in food,

als industries, and has some manufacturing of semi-durable goods related to its own activi-

The group's main division is Pep stores, with more than 1,100 outlets. It is a mass market retail group that primarily targets the country's black

In this area of down-market retailing tha company's iong-term performance has been spectacular, and no other South African company has been able to match it. nd although its most

profit declined 8 per cent due aging nearly 20 per cent to a combination of low consumer activity and destabilisation in the black townships in the run-up to the elections, this 40,000 employees throughout is expected to improve significantly over the next year. Through much of the 1970s

clothing and business materi- and 1980s Pepkor was regarded as something of a backwoods group, reflecting its origins as an Afrikaaner dominated company concentrating on small towns. But over the past few years it has catapulted over some of its biue-chip competitors with a string of acquisi-

> In addition to taking over Cashbuild, the building materials company, and Smart Centre, the clothing group, it has also bought Shoprite/Checkers, the supermarket chain, and managed largely to turn around the ailing company.

its manufacturing operations recent year was a diffi-cult ona, as operating ity, and profit growth has been have long worked at full capacdependent largely on productivity increases, which the company has consistently achieved. It is this kind of management attention and marketing skill that will be transferred to Poundstretcher if the deal goes ahead.

Exceptional goodwill charge puts Elan I£49.5m in red tion income from I£57.3m to

By Tim Coone in Dublin

Corporation, Athlone-based pharmaceutical company, reported a pre-tax loss of I£49.5m (£48.3m) for the year to March 31 after exceptional charges of I£85.1m relating mainly to goodwill writeoff of an acquisition. The previous year there was a profit of

Operating profits were ahead by 47 per cent from L£19.8m to 1£29,1m on turnover up 19 per cant to I£107m (I£89.8m). A breakdown of turnover showed the main growth occurred in royalties up from I£12.6m to I£19.9m, licence and option fees from I£5.72m to I£13.5m, and manufacturing and distribuLosses per share came out at

144p, against earnings of 67p. No dividend is payable, as under New York Stock Exchange ruics, where the company has its primary listing, Elan is classified as a growth stock and not permit-ted to pay dividends. It has I£148m in cash and

short-term investments, I£95m of which was raised in an issue of subordinated loan notes in October 1992.

Mr Tom Lynch, financiai director, sald: "This gives us the strength and leverage to fund acquisitions and organic growth." He added, however, that the company had no plans

at present to make an acquisi-

Elan has huilt up a niche market in the development of dermal patches and by extending the patents of established pharmaceutical products through their further development in making their gastric absorption more controlled, facilitating once-a-day dosage.

Elon has 19 products approved for distribution in 44 countries, which focus on the treatment of chronic ailments such as cardio-vascular and arthritic diseases.

It plans to have a range of new electrical trans-dermal drug delivery devices on the market before the end of the

DCC advances 49% to I£22.2m

By Tim Coone

DCC, the private Dublin-based industrial holding company which plans a public flotation at the end of this mouth, has reported a 49 per cent increase in pre-tax profits to 1£22.2m for the year ending March 31

The advance was achieved on turnover up 36.7 per cent from I£246m to I£336m, including associated undertakings. The 1993 results are restated putting the accounts on a fully consolidated basis.

IE33.4m on acquisitions in tha past year, making a total of 1£76.8m spent on its acquisition programme over three years.

In addition, capital investment of 1£37.1m has been undertaken over the same period. Net debt at the year-end is reported as I£1.5m. representing 1.8 per cent of sharebolders' funds of I£100.8m. Mr Jim Flavin, chief execu-

tive, said "This has been achieved without any recourse to shareholders in the past three years, and demonstrates the profit and cash generative quality of the business". The company has not given a ket capital detailed profit and turnover of I£250m.

The company has spent breakdown by division, but its flotation prospectus is due out this Thursday.

total of 71m shares in issue, 95 per cent of which are held by institutional investors. Bank of Ireland sold off its 20 per cent stake in the group last December for I£10 per sbare, before the share split.

The company expects to raise less than I£25m in the flotation, its main purpose being to obtain 3 listing in London and Dublin. A flotation price in the range of I£2.50 to £3 range is anticipated, which will give a post-flotation market capitalisation in the region

Earnings per share were 19.56p (16.82p) and a second interim dividend of 3.896p A 5-for-1 share split was carried out last March, making a (2.3p).

result of mis-selling of pension transfers. Pearl, a part of the Australian Mutual

Provident Society, has a large share of the

pension transfer market, with an esti-

(£1.15bn), with new single premium busi-

ness dropping to £407.8m (£619.8m). New

annual premium husiness stood at £107.1m

Profits from general insurance rose from

£7.4m to £21.3m while profits from unit

trusts rose from £400,000 to £6.3m.

Total premium income fell to £982.3m

mated 50,000 cases.

(£109.7m).

NEWS DIGEST

40% rise for MMT **Computing**

MMT Computing, the USM-quoted computer services company, enjoyed an excellent first half according to Mr Mike Tilbrook, chairman. Pre-tax profits advanced 40 per cent from £865,000 to £1.21m in the

six months to February 28. Mr Tilbrook said that the comparative period had bene-fited from profits on the sale of investments of £225,000, against £55,000 this time. Taking out that effect, profits showed an improvement of more than 80 per cent.

Turnover was 52 per cent higher at £4.82m (£3.17m). Earnings per share advanced from 4.8p to 6.4p and the interim dividend ls being increased from 1.25p to 1.5p. The shares rosa by 5p to

Sotheby's incurs \$5.1m first quarter

Sotheby's Holdings, the parent company of Sotheby's New York-based auction, finance and real estate operations, suffered net losses of \$5.1m (£3.5m) for the first quarter of

> Portando INTERNATIONAL METGERBROKERS
> CORPORATE PRIVATE Ltd. and INDIVIDUAL transactions.

CORPORATE, PRIVATE Ltd. and INDIVIDUAL transactions.

Wasted: COMPANIES; subject to contract. Area: Europe/USA.

Artic/HGV & Passenges-Carrierse LiSmGRP minimum turnover or less if miche carrier.

Rendi Dept. Stevers. Elsm/E0mGSP min. turnover. Specialty stores included.

Print/Publishing: Magazines, niche, sobscription based, financial printing,

£15m min/E50mGSP max. turnover.

Massufactoring: any product line, £22.5mG3P min. turnover.

Whalesale Distribution: any product, £22.5mG3P min. turnover.

Whalesale Distribution: any product, £22.5mG3P min. turnover.

Mechanical (Specialty) Contracting: e.g. Plumbing, Heating, Ventilation,

Air-Conditioning etc. £22.5mG3P min. turnover.

Real Estate: Flats/Commer. prop. into new-ventual min. value £1.5mG8P or 200 units.

Cassumer: Electrosics: Retail or Production, £60mGBP maximum turnover.

Air-Conditioning etc. £22.5mG8P min. turnover.

Buil Entake: FlastCommer, prop. (not neuvacam) min. value £1.5mG8P or 200 units.

Consumer Electrosics: Retail or Production, £60mG8P maximum turnover.

Any Basisco-to-Business or Service-Business with Marketing Database,

£(m to +/- £50mG8P turnover.

Ol & Gas Exploration & Processing: Partner required, Area: former SOVIET UNION.

Business-to-Business Database: Area: Equity partner required.

Will conditionally consider Businesses around £7.5mG8P turnover.

Only Principals or Authorized persons on behalf of Principals to respond in writing.
(No stan-ups). Commission required; by agreement with Portando.
Merger and Purnership Introductions and Negotiation is our business.

Piesso write to: Portando House, South Newto

1994, against \$5.2m. Auction sales amounted to \$161.3m (\$129.6m).

Electron forecasts

vear-end upturn

In a trading statement the directors of Electron House, the electronic components distributor, forecast sales for the year ended May 31 1994 to exceed £100m, compared with £78.4m for the previous year. The shares responded with a

rise of 9p to 154p yesterday. With demand for microprocessors particularly strong. "the rate of growth of sales in the UK components companies has accelerated", the directors

They anticipated having no debt at the year-end and added: "Overall we expect our performance for the year to be in excess of current expecta-

Logica buys US software provider

Logica, the computing services concern, is acquiring the assets and some liabilities of Precision Software Corporation of the US for an initial \$3.3m (£2.26m).

Precision, founded in 1984, provides loan syndication and administration aoftware to

more than 100 banks and financial services organisations.

The consideration will be foilowed hy a further \$2m upon certain targets being met. And there are provisions for \$7m to be paid on a performance-related basis running until June

MEPC in £16.5m Australian deal

MEPC yesterday announced a A\$34.5m (£16.5m) acquisition of an office building in Brisbane, which is the first of a series of planned investments in Australia.

The 111,442 sq ft building at 60, Edward Street, Brisbane, is occupied by a number of com-panies including Santos Aus-tralia, Comcare, Placer Industries and the Queensland Mining Council.

MEPC said that its Austra-lian acquisitions, which will focus on Queensland and New South Wales, will be funded partly by last June's £222m

Chartwell £22m property swap

Chartwell Land, the property arm of Kingfisher, the retail group, has swapped 222m of property with Shell Pensions

Shell Pensions Trust has hought six industrial estates from Chartwell Land. In part exchange. Chartwell Land has bought Brislington Retail Park in Bristol and a retail warehouse in Fareham. It has also received a cash payment of about £4m.

Cornwell Parker makes £1.1m buy

Cornwell Parker, the furniture and fabrics group, has acquired certain of the assets of Minty Design Furniture from Mines & West Holdings for about £1.1m,

payable in cash. Minty designs and makes chairs and aettees and had sales of \$2.9m (£2m) in the year to March 1994, of which about 40 per cent were to continental

Hambro Countrywide buy

Hambro Countrywide, the estate agent and financial services chain, has acquired Nationwida Relocation - the relocation arm of the Nationwida Building Society - for £1.7m cash.

The purchase includes the occupational lease on Nationwide Relocation's beadquarters building in Basingstoke, Hampshire.

2400 11.10 18.70 18.70

Polose are determined for every helf-hour to each hearty-four hour period. Prison one in potantic parameters are not provided in hem dedenal places. To consider prison to provide part librarillators for declarate point should be evered one place to the left, any challenges of the appealment and the control of the left, and control of the left, and the left provided by l

BILFINGER + BERGER

Unit trust sales help Pearl to £130m

of the home service operation - selling

products through branches and home coi-

The fall in new single premium business

had a sharp impact on the total premium

income of the ordinary branch business

which fell from £942m to £786.4m . Indus-

trial branch business held up rather

Mr Gordon said the group had made

"appropriate" provisions in respect of its

possible exposure to compensation as a

better, slipping only from £203.2m to

BAUAKTIENGESELLSCHAFT Mannheim, Federal Republic of Germany

Subscription Offer for New Shares

According to the authorization of § 4 Section 3 and 4 of the Articles of Association (Authorized Capital) the Board of Management has, with the approval of the Supervisory Board, resolved to Increase the share capital the Board of Management has, with the approval of the Supervisory Board, resolved to Increase the share capital of DM 150,000,000 by DM 30,000,000 by ISSUING new shares made out to bearer. The new shores, 600,000 whares of DM 50 nominal value each, will carry the entitlement to dividends from January 1, 1994 (i.e. tull dividend for the 1994 fiscal year). The Issue price is DM 590 for each share of OM 50 nominal value.

A banking syndicate under the lead-management of Dresdner Bank AG has underwritten the new shares subject to the proviso that the shareholders be offered these new shares for subscription at a ratio of 1 for 5 in accordance with the terms of the Issue.

Following the entry of the capital increase in the Trade Register, we request our shareholders to exercise their subscription rights and, in order to avoid exclusion from participation, to do so in the period from May 17 up to, and including, June 1, 1994

at any of the following subcription agents' offices during customary office hours: Oresdner Bank AG Bayerische Landesbank Girozentrale Berliner Handets- und Frankfurter Bank

Commerzbank AG Deutsche Bank AG Landesbank Sachsen Girozentrale Merck, Finck & Co.

B. Metzler seel. Sohn & Co. KGaA
Bankhaus Reuschel & Co.
Südwestdeutsche Landeebank Girozentrale

In accordance with the subscription ratio one new share may be subscribed at an issue price of OM 550 for every five

old shares upon presentation of dividend coupon no. 24. The subscription rights associated with the old shares (German security code no. 590908) will be traded and officially quoted at the stock exchanges of Stuttgart, Berlin, Bremen, Düsseldori, Frankfurt am Main, Hamburg, Hannover and Munich from May 17 up to, and including, May 30, 1994. The subscription agents are prepared to arrange, as far as possible, for the purchase and sale of subscription rights on such stock

The issue price is due for payment upon subscription, at the latest, however, on the last day of the subscription period. Normal banking commission will be charged for subscription, unless the subscription right is exercised by the subscriber against presentation of the atorementioned dividend coupons during customary office hours at the counter of one of the subscription agents' offices and no additional correspondence is involved.

The new shares (German security code no. 590901) will be made available to the shareholders under a collective security account on the basis of a global share certificate lodged with Deutscher Kassenverein AG.

At present, no arrangements have been made to have new share certificates printed. For the new shares, old share certificates with dividend coupons nos. 26 to 40 and renewal talon will be made available on request after the Annual General Meeting to be held on July 13, 1994 (following payment of the dividend for the 1993 fiscal year). No claims for the Issue of Individual certificates may be lodged prior to that date.

The new shares have been admitted to trading on the stock exchanges in Stuttgart, Berlin, Bremen, Düsseldorf, Frankfurt am Main, Hamburg, Hannover and Munich; trading and official quotation of the new shares are scheduled to commence in due course efter the end of the subscription period. The Board of Management

(Member of AMA International)

west PLC 29 Chesham Piece Belgravia London SWIX 844. Tel: +71 245 0088 Pag: +71 235 6889

\$32 ROUND

Salisbury, Wiltshire SP2 600 G.B. Europe



Sumitomo Finance

TEL: 071 972 9772

International pic (Agent Bank)

off electricity yaur organisakan ಸ್ಥಾಪದರು ದೇಶಭಟ 021 423 3018 per on 3 June 1994. Powerline

FUTURELINK nake the right decip on when it matters you need the latest applications or, inkludil a verys diari these facilities throughout the UK wallout

Copper boosted to 13-month peak

By Kenneth Gooding, Mining Correspondent

Speculative buyers boosted the copper price to a fresh 13month peak in late London trading yesterday. Copper for delivery in three months touched \$2,078 a tonne, nearly 10 per cent ahead of the price only a week ago.

The market also moved into a modest backwardation, where a premium has to be paid for metal for immediate delivery - evidence, according to some analysts, that physical metal is not as freely available as present high stock levels would suggest.

Three-month copper earlier closed in London at \$2,056.50 a tonne, up \$29. Mr Ted Arnold, analyst at Merrill Lynch, says in his latest Weekly Futures Report that, "everyone we speak to wants to buy [copper] at 85 cents a pound [\$1,874 a tonne]

which means in reality that

MARKET REPORT

Coffee gains consolidated

COFFEE traders had a more subdued day than of late, as markets on both sides of the Atlantic consolidated recent

Futures prices opened firm, boosted by Friday's strong close in New York, and then light trade and fund buying pushed a thin morning market up \$58 to a high at \$1,848 a tonne for three months metal. But New York's failure to break 105 cents a pound prompted scattered profit-taking and the London price eased to \$1,812 at the close, up \$22 on

the day. The London COCOA market had a positive morning but trading remained technical and lacked the underpinning of solid industry buying. The July delivery position at the London Commodity Exchange closed at £933 a tonne, up £4.

At the London Metal Exchange ALUMINIUM capimove that low". He says there is evidence

that some consumers are giving up just-in-time policies and building modest stocks. And one week of stock held by American and European semifabricators would be equivalent to 180,000 tonnes of copper. If end-users also added a week's stock, that would be another 180,000 tonnes.

However, Mr Stephen Briggs at Metals & Minerals Research Services, said today'e copper price could not be justified by the fundamentals. MMRS fore cast a supply deficit of 75,000 tonnes this year following a surplus of 200,000 tonnes in 1993. Next year there would be big increases in copper mine output, a legacy from the last recession when prices also held up reasonably well and encouraged new production. With 456,400 tonnes still in LME stocks, "consumers don't have to panic".

(see story above), working back above the \$1,330 a tonne

in the mid-\$1,330s. modestly lower in line with

up \$5.95 from Friday's close, while SILVER ended with a 21 cents gain at \$5.411/4 an ounce. PLATINUM was up \$7.65 at \$397.15 an ounce, Dealers said there was some follow-through buying in New

level for three months delivery, and setting itself up for another test of the resistance The PRECIOUS METALS retained most of their weekend gains after New York opened

The GOLD price closed in London at \$381.26 a troy ounce,

York by the investment that had sparked the late rally on Friday. Some dealers had been concerned that New York might sell-off if it opened at more or less unchanged levels. Compiled from Reuter

Further reform of common agricultural policy 'inevitable'

Further raform of the European Union's common agricultural policy is inevitable in the next few years, although it is unlikely to be radical. according to the chief economic adviser to Lloyds Bank, one of Britain's big four high street banks.

Writing in the May issue of Lloyds Bank Economic Bulle-

tin, Mr Patrick Foley argues that the farming lobby will grow weaker as more agricultural jobs disappeared. This will encourage politicians to take action beyond the 1992 MacSharry reforms.

At the same time, increasing cereal yields are likely to mean that subsidised exports from the European Union remain too high to meet the require-ments of the Uruguay Round

further internal CAP reform. He says public pressure for change will also grow because the current reforms have increased the transparency of subsidies to farmers. CAP support in one form or another accounts for half the gross income of a typical 100-hectare

cereal farm. Mr Foley points out that the 1992 reforms encourage produc-

world trade deal, necessitating tion to remain high - the opposite of what was intended "Because compensation is per hectare, there is an incentive for farmers to keep the maximum possible amount of land in production, subject to set-

> Land prices are also likely to remain buoyant for the next few years, because of the setaside programme and financial incentives for less intensive

"It is possible that the 15 per cent set-aside could increase land prices in the short term. as some farmers may choose to buy more land to enable them to maintain past levels of production." he says.

"Equally, beef farmers wishing to change to a more extensive type of farming would need to buy more land." Evaluating the routes that

further reform could take, Mr Foley says a bond compen tion scheme may be politically unacceptable, even if economically justified, because of the likely large-scale job losses and sharp fall in land prices that it would entail.

Gerns o

He suggests there will be a mixture of more price support cuts and more set-aside together with greater limits inputs such as fertilisers.

Crop worries put wheat market through the mill

World stocks remain tight and harvest prospects now seem less bright than they appeared at first

f the ash comes out before the oak, they'll be a soak. But if the oak comes out before the ash, they'll be a

This year, in Norfolk anyway, the buds on oak trees came out first, indicating, according to that usually reliable sore that the coming summer may be characterised by occasional light showers rather than steady downpours. Should that turn out to be

the case cereal yields will be adversely affected. For in spite of the freshening rain of last weekend - which was itself a crop-saver on many farms soils will quickly dry out as temperatures increase and plant transpiration rates rise.

Add to that the legacy of the wet winter, which left many arable fields scarred and bare in places, where lakes of rain water etood for weeks on end and it is hardly surmising that optimism in this area is in ehort supply this spring. farmer to make judgments on



By David Richardson

prospects for the entire harvest on the basis of the few fields around his house, Last week I travelled south and west and was surprised to find that in Hampshire, Wiltshire and Dorset winter sown cereals were looking a lot better than those at home, with growth about a couple of weeks further forward. Perhaps the UK harvest will not be a total disaster after

These days, however, as the reform of the European Union's common agricultural policy progresses and guaranteed prices decline, the value of UK cereals is coming to rely far more on supply and demand both in the EU and the rest of the world. Current trends suggest that the gap between these factors is nar-Last week, for instance, the

and that for June by a similar amount to £120. Both levels were a few pounds above the EU buying in price - and that in spite of recurring stories throughout most of last winter of sizeable, unsaleable sur-pluses in British barns, which were likely to have to stay there through the next barvest. Some of the bearish sentiment was undonbtedly inspired by merchants talking down the price. But there was apparent evidence to support their case and many cereal growers who sold early must

now be kicking themselves. Forward prices for next harvest have also risen above support levals. The November intervention price for feed wheat, for instance, is £97 a tonne delivered to the store. But last week it was possible to sell forward to merchants at £98.50 a tonne ex-farm. Bread wheat, or common wheat as it is now known, could be sold for November at £112.50 a tonne, compared with an inter-vention price of £107.

So, why the turnround? One reason must be that EU-wide domestic demand has increased now that guaranteed prices are lower. It must be assumed too that estimates of the cutturn of last years EU harvest were exaggerated.

But it must also have something to do with the tightness of world cereal supplies. According to the April report from the Rome-based Food and Agriculture Organisation, a decline in world wheat output this year may be countered by a recovery in the maize crop. And although availability should be adequate to meet demand stocks will remain

The report shows that stocks as a percentage of world cereal consumption are expected to decline to 18 per cent this year having been between 19 and 21 per cent during the previous 3 years. Moreover the 1994 figure is similar to the stock level of 1990 and indicates that supplies have been bordering on the critical for at least 4 years. The FAO has the responsibil-

ity to tell of starvation risks around the world so might. perhaps, be accused of stressing potential problems. The International Wheat Council, however, has more commercial priorities and its forecasts coincide with those of the FAO for wheat while painting a worse picture for maize.
According to the IWC world
maize stocks are set to declins

by about 5 per cent this year. There are reports, moreover, of poor growing conditions for winter-sown cereals in Russia and Ukraine, while shortages of inputs have also caused problems with spring sowing. Canada and China are both

expected to produce lower tonnages this year and there are frost problems across the high plains of the US, which may have damaged apring plantings. A useful guide to future world prospects for wheat can usually be gained from the USDA's decision on the level of set-aside, or acreage reduction, it imposes on farmers wishing to qualify for crop loans. The decision for 1995 is expected within the next two to three weeks and rumours from Washington are already suggesting that the set-eside for wheat will, as last year, be

Meanwhile, in spite of obviously tightening supplies, most British and European arable farmers will again have to setaside 15 per cent of their cereal land. But they are now becom-ing reconciled to it, and as long as they continue to be compen sated for leaving land uncropped and the market for the crops they do grow stays as lively as in recent weeks they should not complain too much.

India expected to miss its foodgrain target despite good monsoon

in New Delhi

India's foodgrain production during 1993-94 is expected to be 179.1m tonnes, falling short of the target of 188m tonnes, and marginally lower than last year's record production of 180.01m tonnes, despite a good

monsoon for the sixth consecu- India, had resulted in most tar-The ministry of agriculture said in its annual report released yesterday that an uneven distribution of rainfall with very wet periods at the

in August over north-west

gets not being met. Production of some oilseed crops has been affected, with the groundnut crop in the Saurashtra and Kutch regions suffering from a deficient beginning of the monsoon seasonth-west monsoon. But a son followed by long dry spells bumper soyabean crop is

expected to boost oilseeds pro-

duction to 20.5m tonnes from 20.27m tonnes last year. Floods in nine Indian states in the north and the east, and inadequata rainfall in Bihar and Uttar Pradesh at the beginning of the season have also played havoc with cash crops. The production of jute and

mesta during 1993-94 is expec-

180kg each), from 9m bales last year. Cotton production is also expected to be lower than last year's, falling to 10.6m bales from 12.5m bales. Sugar-cane production is likely to remain at last year's figure of 231.01m tonnes, falling short of the target of 250m tonnes.

series of programmes to help state governments to increase crop productivity, for wheat, maize and millet, rice, cotton and jute.

Farmers are being encouraged to use new, high-yielding varieties and environmentfriendly pesticides

PERSONAL AND THE

COMMODITIES PRICES

1301-2 1307-08

1300-1

246,313

1322-3

BASE METALS LONDON METAL EXCHANGE M ALDMINIUM, 99.7 PURITY (\$ per tonne

Total daily turnover	39,116	
# ALUMINIUM ALL	JOY (\$ per tonn	며
Close	1290-5	1305-10
Previous	1295-300	1305-10
High/low	1295	1315/1310
AM Official	1295-7	1310-1
Kerb close	10.00	1310-20
Open int.	4,157	
Total daily turnover	681	
■ LEAD (\$ per tonn	(d)	
Close	481.5-2.5	478-8
Pravious	468.5-9.5	484.5-5.0
High/low AM Official	463 462,5-3.0	485/475
Kerb close	402,0-330	479-7 43-4
Open Int.	35,457	44-4
Total daily tumover	4,052	
MICKEL (S per to	rune)	
Close	5760-70	5835-40
Previous	5705-10	5775-80
High/low	5720	6820/5880
AM Official	5705-10	6790-5
Karb close		5870-75
Open Int.	55,405	
Total daily turnover	13,611	
TIN (5 per tonne)		
Close	5345-55	5420-25
Previous	5445-50	5505-10
High/km AM Official	5360/5355 5355-65	5490/5320 5420-5
Kerb close	3333-03	5480-70
Open int.	16,963	0100 10
Total daily turnover	6,280	
# ZINC, special hig	h grade (5 per	torene)
Close	955.6-6.6	977-8
Previous	958.5-7.5	977-7.5
High/low		986/974
AM Official	953-4	978-7
Kerb close Open int.	101,606	977-8
Total daily turnover	19.817	
COPPER, grade		
		0000 7
Close Previous	2056,5-6.5 2019-20	2056-7 2027-8
High/low	2041	2078/2037
AM Official	2040-1	2048-9
Kerb close		2077-B
Open int. Total daily tumover	188,347 91,306	
I LME AM Official		•••
LIME Closing £/\$		~
Sout 1.4983 5 mms: 1.49		O-the LANCE
-		
H HIGH GRADE CO		_
Day's		Open led Med
Close chang		int Vol
May 97.80 +2.2 Jun 87.85 +2.1		.,
Jun 57.85 +2.15		
4mm 67 15 a 2 11		417 25
Sep 96.70 +2.00	5 96.80 04.25	
Oct 98.45 +2.07	5	206 15 22,969 1,013

PRECIOUS METALS I LONDON BULLION MARKET

381,85-382,26 Day's High 380,90-381,40 374.50-374.90 Loco Ldn Mean Gold Lending Rates (Vs USS)

Silver Fix. Spot 3 months 6 months 839.50 545.85 862.55 380.25 568.20 Gold Coins

\$ price 366-369 391.90-394.35 € equiv. 259-262 60-63

Precious Metals continued

M GOLD COMEX (100 Troy az.; \$/hray az.) -22 -22 383.5 381.5 77,024 83,666 -22 -22 386.3 384.5 17,680 4,289 7 5,022 35 0 14,385 989 141,854 90,212 PLATINUM NYMEX (50 Troy oz.; \$/troy oz.) 400.9 +1.9 402.8 398.5 17.113 4.612 2,491 836 928

M PALLADRIM NYMEX (100 Troy oz.; \$/troy oz.) 138.00 -2.75 139.50 137.75 3.019 1.013 137.85 -2.75 139.00 137.75 1.001 449 138.10 -2.60 - 462 2 137.80 -2.60 - 6 M SILVER COMEX (100 Troy oz.; Cents/troy oz.)

117,243 40.514 **ENERGY**

M CRUDE OIL IPE (S/berrel) 53,878 18,204 17,492 3,874 12,342 2,541 5,552 1,010 4,273 720 MEATING OIL KYMEX (42,000 US galle; c/US galle)

+0.15 +0.20 +0.10 +0.20 +0.05

MATURAL GAS NYMEX (10,000 mm8ta; S/mm8ta) Latest Day's price change High 1.965 -0.052 2.045

MYMEX (42,000 US gate; c/US gate) \$1.25 49.70 45,524 14,967 \$1.50 50.30 24,873 7,912 \$1.50 50.40 12,483 1,409 \$0.85 \$0.00 9,530 1,447 +0.32 51.50 +0.12 50.85 +0.12 49.15 50.49 12,488 50.90 9,530 48.90 2,010

GRAINS AND OIL SEEDS M WHEAT LCE (E per torne) -2.00 117.25 115.25 -1.65 117.75 115.50 99.25 - 99.25 99.25 100.15 -0.25 101.20 100.25 102.30 -0.10 103.00 192.30 104.00 - 105.25 194.00

WHEAT COT \$5,000bu min; contartotto bushed May 319/8 -3/2 321/4 319/4 1,196 1,415 1/4 1/4 10/2 10/2 10/2 327/6 330/4 340/0 325/0146,055 67,790 328/2 34,740 9,895 538/0 36,185 18,250 325/4 326/4 338/2 342/5 222,455 98,760 M MAIZE CET (5,000 by mire cente/58th bushel)

-2/8 259/2 255/2 35,455 11,820 -5/0 259/0 258/0 888,410 138,580 -2/4 259/8 248/0 168,580 14,515 -2/6 243/0 246/4 35,540 61,630 -2/0 259/8 246/0 36,590 3,500 -2/4 254/4 253/4 4,440 660 540.5 82.94 38,198 545.0 8,070 530 554.0 11,757 880 III BARLEY LCE 02 per torrie -2.00 +0.40 +0.25 -0.35 58 138 177 87.65

4/2 696/0 551/0 19,910 12,640 -5/0 555/4 550/4 530,255 194,190 -5/8 690/0 654/4 62,970 12,590 -5/2 635/4 632/0 34,610 2,825 -6/0 616/0 616/0 217,1575 -4/6 622/4 619/0 21,490 596 17.00 38,789 13,151 16.92 36,432 9,839 18.90 18,166 5,868 16.90 12,109 4,361 706,755 295,980 M SOYABEAN OIL CET (80,000bg certs/b) - 28.52 28.20 4,932 1,418 +0.02 28.45 28.03 38,003 9,044 +0.01 29.69 27.80 12,295 1,553 +0.05 27.45 27.18 10,532 652 +0.05 28.40 28.20 4,129 286 +0.02 25.65 25.35 15,910 1,704 M SOYABEAN MEAL CHT (100 tors; \$/tor) 186.2 -1.5 187.9 188.1 2.524 1.561 187.6 -4.5 - 187.4 38,445 15,123 188.9 -1.3 187.7 186.9 13,126 2.37 185.0 -1.1 185.8 184.8 8,465 646 187.8 -1.9 188.5 187.7 0,110 787 180.8 -1.7 187.7 180.0 16,536 3,144

POTATOES LCE (EAC 282.5 90.0 105.0 138.6 140.0 107.5 -1.1 136.5 135.0 1403 1400 1295 1380 1400 1400

-0.052 2.075 2.022 10.347 455 -0.028 2.055 2.050 10.347 455 -0.025 2.110 2.850 10.843 253 10.0020 2.150 2.135 7.462 245 10.0020 2.150 2.230 9.728 468 114,432 19,365 TEA
Fair general ciertuand, reports The Tea Brokers'
Association. Best East Africans and coloury
maditums saw a firm market but brighter
meditums were often 4 to 8p lower. Pishner
Africans also tended easier where cold. Coyform moved tener, perticularly plainer types.
Engiter Ceytons and Zimbelbwes sold well but
prices for lighter, plainer types tended easier.
Best available 210p/kg norn (180p/kg, norn
good 180p/kg (150p/kg), good medium 130p/
kg (134p/kg), medium 118p/kg (118p/kg), low
medium 80p/kg (84p/kg) and the highest price
realised this week was 211p/kg for a Rwanda
pf 1. NS Last weeks' figures shown in brackets. 7,912 1,409 1,447 954 141 25,533

SOFTS E COCOA LCE STory

943 14,285 1,870 968 22,707 770 968 27,873 947 1004 10,257 108 196,576 7,682 M COCOA CSCE (10 tornes; \$/tonnes) 1190 -10 1215 -2 1246 +3 1280 +6 1514 +8 1343 +18 1225 1249 1284 1318 1345 50 7 1207 38,466 12,540 1230 14,288 2,176 1299 8,847 820 1307 10,606 20 1340 4,889 220 BZ_156 15,005

M COCOA (CCC) (SDR's/torne) 1878 2.301 333 1890 1813 1769 1739 1746 14,419 2,160 1715 5,541 1,042 1708 5,923 384 1700 2,008 24

E COFFEE 'C' CSCE (37,500ths; cents/ths) 108.40 +4.20 187.40 102.75 303 296 108.90 +4.70 108.20 107.00 34,901 14,886 108.40 +4.85 108.50 107.80 13,486 3,205 108.05 +4.95 108.50 107.80 4,104 1,712 108.05 +4.95 108.50 101.80 4,104 107.75 +4.85 107.00 102.00 3,150 108.00 +5.00 108.00 102.80 402 4,104 1,712 3,150 1,025 402 59 59,465 23,129 COFFEE (CO) (US cents/pound) Prev. day 94.05 84.20 1218 +0.25 - 2,901 11.82 11.82 11.80 +0.17 MI WHITE SUGAR LCE (S/tonne) 335.80 +3.00 388.00 332.80 11,518 1,100 215.80 +2.50 316.00 313.70 7,242 139 307.80 +1.70 208.00 308.20 462 50 308.30 +2.20 308.43 304.80 1,154 82 200

+2.20 308.48 304.50 +2.20 +2.00 ■ SUGAR "11" CSCE (172,0000bs; cents/fbs) 11.54 +0.22 11.86 11.73 50.62414,513 11.72 +0.18 11.72 11.55 35,112 6.148 11.40 +0.14 11.41 11.25 10.863 93 11.35 +0.12 11.55 11.23 1.803 35 11.33 +0.12 11.35 11.21 1.304 13 11.32 +0.15 Jul 80.12 -2.00 81.80 80.12 1,021 88
Oct 74.75 -1.32 73.00 74.25 27.447 5,965
Occ 73.90 -0.97 74.10 72.95 4,869 1,211
New 74.45 -1.05 73.05 73.90 18,827 1,426
Hay 74.75 -1.15 73.35 74.90 1,770 451
Jul 75.25 -1.24 78.00 78.00 873 135
70bil ORANGE JURCE MYCE (15,000)55, certaining

ORANGE JURCE MYCE (15,000)55, certaining

487 148

94.85 -3.80 94.00 94.25 457 146 94.70 -3.80 98.20 96.10 13,885 2,138 98.70 -4.06 101.50 97.75 2,507 349 100.30 -3.45 102.00 98.76 1,162 37 -0.5 101.50 97.75 2,507 349 -1.45 102.00 99.75 1,162 37 -1.35 104.50 101.00 2,221 124 -1.35 108.40 104.00 883 38 16,667 2,829 VOLUME DATA
Open Interest and Volume data shown for
contracts traded on COMEX, NYMEX, CBT,
NYCE, CME, CSCE and IPE Crude Oil are one

INDICES # REUTERS (Bese: 18/9/31=100) May 10 1887.1 May 5 1878.9 1808.2 # CRB Futures (Base: 4/8/56=100)

MEAT AND LIVESTOCK M LIVE CATTLE CIVE (40,000ths; contribute

Sett Bay's Com price charge High Low let 68.300 +0.475 68.725 67.525 27.918 67.860 +0.760 67.900 86.875 16.748 70,375 +0,800 70,500 69,525 12,062 71.275 +0.500 71.300 70.400 80.54 71.550 +0.500 71.575 70.800 3,192 72.825 +0.325 72.850 72.975 1,882 48.825 +0.900 48.625 47.625 44.360 +0.675 44.650 43.600 45.125 +0.675 45.150 44.160 44.900 +0.900 45.050 43.950 46.450 +0.700 47.100 44.600 808 46.100 +0.850 46.600 44.600 5,773 43.825 +0.575 44.550 42.850 1,008 50,700 +0,400 50,750 48,750

LONDON TRADED OPTIONS

M ALUMINIUM (00.7%) LME COPPER (Grade A) LME 121 82 69 COPPEE LCE E COCCA LCE

72 27 LONDON SPOT MARKETS E CRUDE Oil FOB (per barrel/Jun) Dubai Brent Blend (dated) Brent Blend (Jun) W.T.I. (1pm est)

\$17.68-7.70

-0.5

+0.50

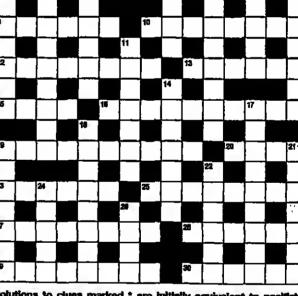
+7.5

M OIL PRODUCTS NA prompt delivery CIF (tonne) Premium Gasoline Gas Oll Heavy Fuel Oll Naphtha Jet Fuel Patrolaum Argus Est \$179-181 \$154-155 \$79-82 \$154-156 \$168-170 E OTHER Gold (per troy oz)\$ Silver (per troy oz)\$ Platinum (per troy o Paliadium (per troy o +5.96 +21.00 +7.65 +1.5 \$381.25 Copper (US prod.) Leed (US prod.) Tin (Queia Lumpur) Tin (New York) Zino (US Prime W.) 100.000 38.130 14.21r 252.50c Unq. 127.51p Cattle (I've weight)†
Sheep (I've weight)†
Pigs (I've weight) -0.20* +2.08* +1.50* 152.70c Lon, day sugar fram Lon, day sugar (wo Tate & Lyle export \$272.30 \$338.00 \$298.00

Barley (Eng. feed) Malze (US No3 Ye Wheat (US Dark N Ung. \$138.50 \$180.0x 71.50p 71.75p 259.00m Rubber (Juni) Rubber (July Coconut Oil (PNI) Patri Oil (Maley.)§ Copra (Phili§ Soyabeans (US) 2193.0v Critica Outlook A Index



CROSSWORD



are bad (9)

6 Love would briefly vex the

7 Description on lecket to

8 Request an establishment

obliquely (7) Will need to take in head (7)

Visitors to military unit (7)

bars (6)

ACROSS
1 A force used on another's
name and address (4.2)
1 Instead of love in Asian capi-2 Niche I take on when times country (8) 6 Fierce wild South American 3 Not skating to post (6) 5 See 1 down

port (6) 10 Fowler's work is sure to fail (4,4) 12 Wobbly? Take about a second 13, 27 On Monday steer car and stay ontside: there's poison gas (6,8) 15 Ineffectual individual gets 14 Tell fish to swallow male per intravenous feed (4) 16 Revulsion causing son (7)
17 Natural in relation to logs,

with Nero (10)
19 Interior model in coin, so the not applicable to the ancient spring of inspiration (9)

18 Engineers with electric wires produce knee-jerks etc (8)

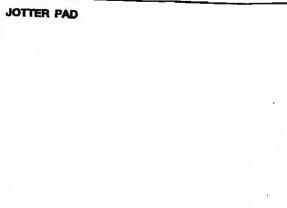
19 Falsely claimed: it could be a fraction (7)

*21 Vistings to military unit (7) gong says (6.4)
20 it takes hours in the pictures 22 Ancient geographer turned to

into operation (2,6) 27 See 13 28 Some grammar in action in the boat yard (6)
29 The last place left with dis-

24 High peak in African bight (5) 26 River of paradise? (4)

Solution to Saturday's prize puzzle on Saturday May 21. Solution to yesterday's prize puzzle on Monday May 23.



LONDON STOCK EXCHANGE

Concerns over US rates depress share prices

By Terry Byland, UK Stock Market Editor

The second secon

And the second s

The second secon

ared at first

The state of the latest the lates

Plant Frant Long to Long to

The log log

in the second

to speci

the state

With the West of Balling

The interest of spines

the transport of the Farrings of

ा भाग है।

te ner)

The state of the s

monsoon

SWORD

the back

the market of

1 - 10 - 17 - 2:

75.5

20 M A 20

1.0

30.5

 ${}^{\alpha}_{\alpha}, {}^{\alpha}_{\alpha}, {}^{\alpha}_{\alpha}$

75 V2.2

J.O.

The UK stock market staged a successful rally towards the close of s depressed session yesterday which was dominated by weakness in British government bonds and also in sterling as political tensions increased. Markets kept a close eye on the US dollar, worried that any renewed setback might prompt the U8 Federal Reserve to tighten credit policy more harshly than previously in the present cycle. Yesterday's money market action by the Federal Reserve came after the London

The disclosure that domestic consumer credit had jumped by £516m in March, far above market expectations, gave a further blow to any lingering hopes for a cut in base

rates but brought little relief to either bonds or sterling. The FT-SE 100 Index was 25.3 down at the day's low when Wall Street had opened sharply off and

global bond markets were drifting easier. But London rallied as the loss on the Dow Average was cut to 9.5 in early trading. At Its final reading, the FT-SE 100 showed a net decline of 8.2 et 3,097.8. The late recovery in the blue chip leaders was fuelled by the expiry of two over-the-counter option con-

operating heavily in the Footsle future towards the close of the trading session as the share option contracts expired. Trading volume in UK equities was not heavy yesterday but the

tracts believed to have been oper-

ated by leading houses. These

houses were thought to have been

"First Deatinger Apr 25 May 16 Option De 12 Jun 2 Last Deatings: May 13 Jun 3	Jun 8
May 12 Jun 2	Jun 16
Last Deslings:	
May 13 Jun 3	Jun 17
Account Day: May 23 Jun 13	Jun 27

concern over US interest rates overshadowed all other considerations. Markets across Europe were con-cerned that the Federal Reserve might take action ahead of this week's refunding of US government.

UK equities crumbled in early trading behind a fall in stock index futures and also in gilt-edged securities. There were suggestions from political sources that Mr John

Major'e Conservative government, end of recent daily averages. hard hit in the opinion polls following last week'e UK local elections. was under pressure to hold a national referendum on policies towards the Economic Union. .

Unimpressive trading volume indicated that share losses reflected cautious marking down operations by marketmakers rather than any undue selling pressure. The loss of the Footsie 3,100 mark yet again was unhelpful and the consumer credit data underlined the market's resignation to the fading of base rate hopes - as well as raising fears that the next move in domestic

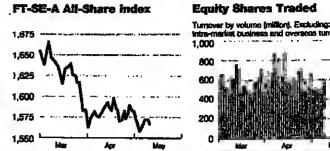
interest rates might be upwards.

However, the day'e Seaq trading volume total of 480.8m shares was nearly 27 per cent down from Fridey'e figure, which was worth 21.24bn in retail worth, at the lower

The picture among the secondline stocks was much the same as in the Footsie-listed issues. The FT-SE Mid 250 Index failed to share in the late rally and closed with a fall of 28.9 points at 3,742.1.

The setback in the UK equity market was less than those recorded by other leading European markets, although UK gilts were significantly weaker than other bond markets because of the political factors in London.

Weakness in gilts has continued to undermine UK equities for the past two months, and there was little sign yesterday that share prices were yet ready to disengage from the gilts market and to respond more confidently to the growing indications of recovery in the UK

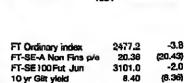


■ Key Indicators

Mineral Extraction

indices and ratios		
FT-SE 100	3097.8	-8.2
FT-SE Mid 250	2742.1	-28.9
FT-SE-A 350	1573.8	-6.0
FT-SE-A All-Share	1566.43	-6.02
FT-SE-A All-Share yield	3.71	(3.69)

1 Spirits, Wines & Cider 2 Oil Exploration & Prod



1	Electricity1
2	Tobacco
3	Building & Const
4	Property1
S	Media1

Utilities under pressure

The latest slide in gilt-edged stocks, plus renewed worries about the forthcoming regulatory reviews, brought renewed pain to the electricity and water sectors. Last month the utilities provided 14 of the 20 worst performers in the FT-SE Mid 250 Index and the seven worst performers in the FT-SE

Both sectors closed well

the bottom towards the close

to finish above the Juna

Footsle 3,100 support level.

after a session dominated by

3095.0 3101.0 - 3118.0 - 3130.0

- 3757.S

10 MINERAL EXTRACTION(18)

20 GEN MANUFACTURERS(202) 21 Building & Construction(31)
22 Building Matia & Merche(30)
23 Chemicals(21)
24 Diversified inclustrials(16)

Electronic & Elect Equip(34) 28 Engineering(71)
27 Engineering, Vehicles(12)
28 Printing, Paper 6 Pckg(27)
29 Textiles & Apparett20)

Brewerles(17) Spirits, Wines & Cidere(10) Household Goode(13) 36 Heelth Care(20) 37 Phermeceuticals(11) 36 Tobacco(1)

Leisure e Hotels(23)

89 NON-FINANCIALS(831)

80 INVESTMENT TRUST8(122)

Time of FT-SE 100 High 4.12pm Low 3.09pm

Open 9.00

FT-SE Actuaries 350 Industry baskets

60 FC-SE-A ALL-SHAREISES

70 FINANCIALS(103)

71 Genks(10) 73-Insurance(18) 74 Life Assurance(6)

79 Property(39)

FT-SE-A 350

60 UTILITIES(36) 62 Electricity(17)

68 Water(13)

extractive Indu 16 Oil, Integratori(3) 16 Oil Exploration 6 Prod(11)

FT-SE 150 INDEX FUTURIES (LIFFE) \$25 per tull index point

Open Sett price Change High

■ FT-SE MID 250 INDEX FUTURES (LIFFE) \$10 per full index point

M FT-SE MID 250 INDEX PUTURES (OMLX) \$10 per full index point

IN FT-SE 100 INDEX OPTION (LIFFE) ("3099) 210 per full index point

-2.0 -2.0 -2.0

3750.0 3735.0 -30.0 3750.0 3750.0

above the day's lowest levels after a modest rally in gilts triggered bargain hunting. In the "recs", Eastern finished 7% off at 577%p and Southern 171/2 weaker at 5481/2p. The genarators ware equally punished, with more US selling hitting PowerGen, finally 15 off

RBOS hopes

EQUITY FUTURES AND OPTIONS TRADING

Growing optimism in the market that Royal Bank of Scotland will be the next hig FT-SE 100 constituent to deliver a 20 per cent-plus dividend increase saw the bank'e shares produce the leading index's best individual perfor-

weakness in gilts and further

The first trade in the June

political uncertainity, writes

contract on the FT-SE 100

3103.0 3074.0 12394 51967 0 920 - 0 201

Day's Year May 8 chge% May 8 May 8 May 4 ago

2735.00

2029.29

2080.75

1301.70

2907.12

2744.98 2295.27 3025.22

1724.50

2090.92 3059.03

1211.08

2179.55

1879.38

10,00

11.00

19.00 11.00 12.00 13.00

 3097.1
 3087.8
 3085.0
 3088.4
 3085.8
 3086.0

 3762.2
 3751.2
 3747.8
 3745.8
 3742.2
 3739.5

 1575.6
 1570.7
 1589.7
 1670.6
 1568.1
 1568.5

-0.3 3106.0 3106.0 3070.5 2829.8 -0.8 3771.0 3770.8 3757.7 3125.8

-0.6 3778.2 3767.7 3775.8 3155.5 -0.4 1579.8 1579.7 1564.7 1408.4 -0.4 1940.53 1941.66 1942.05 1588.4 -0.3 1919.42 1921.31 1922.51 1599.41 -0.4 1572.45 1572.45 1558.59 1394.42

Day's Year Div. Earn May 9 chge% May 8 Mey 8 Mey 4 ago yield% yield%

+1.0 2707.93 2651.94 2618.40 2137.10 3.40 -0.2 3885.04 5873.64 3873.80 2608.10 3.84 +1.2 2656.18 2624.71 2545.37 2066.60 3.43 +1.5 2000.22 1886.30 1863.70 1944.00 3.52

-0.8 2097.39 2100.46 2095.89 1759.70 -1.5 1321.17 1324.07 1314.27 1071.50

-1.5 1321.17 1324.07 1301427 1071.50 -1.1 2045.38 2056.43 2055.20 1682.10 -0.9 2055.48 2542.03 2533.97 2167.80 -0.9 2098.34 2096.53 2064.23 1843.60 +0.3 2065.68 2046.49 2043.98 1982.00 -1.1 1983.42 1988.80 1988.94 1489.30 -0.8 2466.25 2449.44 2443.96 1769.50 -0.6 2921.15 2941.07 2964.66 2320.00

-0.2 1803.69 1811.88 1807.72 1816.40

+0.3 2737.27 2739.37 2732.45 2753.40 +0.5 2234.83 2236.24 2235.31 2131.80 +1.9 2969.65 2976.30 2952.83 2841.70 -0.2 2373.22 2353.94 2334.24 2324.50 -2.3 1730.82 1718.72 1713.84 1676.70 +0.3 1730.82 1718.72 1713.84 1676.70 +0.3 2759.34 2784.75 2750.72 3124.20

-0.7 2045.17 2060.55 2032.20 1757.80 -0.3 3088.36 3051.60 3042.77 2608.80 -0.3 2234.75 2236.94 2229.97 1700.60 -1.2 3083.00 3068.88 3061.89 2244.70 -0.5 1039.27 1643.73 1589.61 1922.80 -0.8 1780.81 1782.30 1748.30 1497.80

-0.6 1686.24 1689.39 1653.14 1509.30 -1.0 2486.72 2500.21 2496.02 1990.80 -0.9 1222.38 1217.48 1225.80 1231.10

-1.1 2202.98 2214.96 2198.66 2068.80 -1.9 2074.80 2101.27 2075.57 1887.30

+0.5 1867.93 1881.94 1871.10 1964.90 -1.0 1967.61 1976.30 1957.42 1897.10

-1.0 1863.41 1665.13 1670.26 1722.80

-0.2 2720.74 2706.06 2625.12 2318.70 -1.1320.43 1308.79 1293.82 1299.40

-0.3 2388.51 2577.47 2373.21 2502.60 +0.3 2388.51 2577.47 2373.21 2502.60 +0.3 2325.42 2656.12 2668.31 2424.00 -0.8 1894.03 3887.28 1891.92 1418.80

-1.3 1622.19 1626.43 1620.31 1217.20

12.00

1259.2 1257.2 1266.7 1263.3 1249.7 1249.5 1249.0 1241.7 1241.8 1241.0 2743.3 2731.0 2726.6 2730.5 2736.3 2731.8 2730.3 2727.4 2752.8 2748.6 1840.9 1632.5 1627.0 1621.3 1618.3 1817.5 1619.5 1613.1 1623.1 1631.7 2729.8 2728.8 2718.6 2729.5 2730.1 2730.1 2730.6 2749.1 2748.1

Additional information on the FT-SE Actuaries Share inclose is published in Seturday issues. Lists of constituents are executed from the Fhrencial Times Limited, One Southwerk Bridge, Landon SET 9HL. The FT-SE Actuaries Share inclose Service, which covers a range of electronic and peper-based products relating to those inclose, is switched from FNSTAT at the same additives.

The FT-SCO has been renormed FT-SEA Abort-Financials index. The FT-SE 100, the FT-SE Mild 250, FT-SE Actuaries 350 and the FT-SE Actuaries And-Grare inclusivy basists are calculated by the internetional Stock Exchange of the United Kingdom and Republic of instend and the FT-SE Actuaries And-Grare index is compiled by the Financial Times Limited, both in conjunction with the institute of Actuaries and Februaries and are a standard set of ground rules.

O The international Stock Exchange of the United Kingdom and Republic of Instant Limited 1994, O They Financial Times Limited All rights reserved.

FT-SST and Footster from Joint trans united and environ marks and eventice marks of the London Stock Exchange and Time Limited Times Limited

-0.3 2173,99 2162,58 2122,96 1867,60 4.14

Joel Kibazo

higher at 428p, a rise of 4.9 per cent, following relatively large turnover of 3.1m shares. RBOS's interim results are

mance. They settled a net 21

expected tomorrow, with analysts looking for pre-tax profits at least double the £91m achieved last year. A hig rise in earnings from Direct Line, the bank's insurance by telephone business and one of the jewels in the bank's crown, is

But it will be the size of the dividend increase that will determine the merket'e response to the results. Most henk sector analysts are looking for an interim rise of at least 20 per cent and there

index was struck at 3,095.

June fell back after its

Goldman Sachs executed an

order for around 400 contracts

shortly after the opening, and

The release of higher than

anticipated UK consumer

credit flaures led to e further

retreat as Imgering hopes of

a reduction in Interest rates

faded, Juna then traded in a

tight range of 3,074 and 3,080

for the next few hours before

renewed selling followed tha

bonds, together with reports

"over-the-counter" options

official close and the June

brought a relly just before the

contract finished at 3,101, just

Traded options saw busing

opening on Wall Street. However, firmness in US

of a blg trade in

Eam. yield%

8.43 5.50 5.92 6.21

3.73 4.55 4.48 6.24 3.82 2.11 4.90 6.57

3.87

4.23

2.87

4.05 5.85

3.81

16.10 High/day Low/day

3082.6 3098.1 3098.7 3090.7 3738.7 3767.8 3782.2 3732.4 1567.3 1573.8 1575.5 1586.5

14.00 16.06 15.10 Close Provious Change

13.00 14.00 15.00

3084.8 3739.4 1588.4

3.92 3.29 3.41 3.77

will be some disappointment if the increase does not match the 25 per cent increase in the payout total last year-

C&W alert

The revival of rumours that Cable and Wireless could be considering a flotation for its Mercury telecoms subsidiary triggered a strong rise in C&W shares, largely et the expense of its two UK telecoms rivals, BT and Vodafone.

Dealers said the Mercury flotation story was one that cropped up regularly and had been circulating in the market late last week. They also pointed out that C&W chares

TRADING VOLUME

Vol. Closing Day's 000s price change

Major Stocks Yesterday

ASDA Group†
Abbey National†
Abbey National†
Abada Flerier
Angel Flerier
Angel Group†
Angel Group†
Angel Group†
Angel Group†
Angel Br. Ports
BUA†
BEC
BUC†
BUC†
BUC†
BUC†

BPB Inda.

wh Camott

Kong stock market. "C&W were due a bounce

and the press reports have given the market an excuse to do lt," said one trader. The stock closed 8 up at 444p. BT fell 71/2 to 3641/4p and the partlypaid 8% to 245%p. Vodafone, unsettled by press comment, slipped 7% to 537%p.

had underperformed the mar-

ket by almost 11 per cent since

tha turn of the year, as part of

a general underperformance by

UK telecoms. BT shares have

underperformed by some 15

Adding to C&W's woes have

been the marked weakness of

the Hong Kong dollar, which is

linked to the US currency, and

the steep decline in the Hong

per cent since the year-end.

Drinks active

With the results season about to get under way, the drinks sector attracted plenty of speculative buying but little overall volume. NetWest Securitles ettempted to pre-empt proceedings, reiterating its positive stance on Allted-Lyons. ahead 11 at 583p, and Scottish & Newcastle, up 9 at 530p.

Another NatWest favourite, Grand Metropolitan, was once again the subject of speculation over the fate of its Innirepreneur pub subsidiary, run as a joint venture with Courage. Suggestions that GrandMet will use its results on Thursday to announce that Inntrepreneur may be broken up, or even floated, were not believed by ell analysts. GrandMet jumped 16 to 483p.

Market gossip circuleted

NEW HIGHS AND LOWS FOR 1994

NEW HIGHE (31). BREWERIES (1) Hot (J), BLDG MATLS & MCHTS (1) Johnston, DISTREBUTORS (1) SEP.GLECTRING & ELECT BOUP (5) Detail Eurothern, Pelon, ENGINEERING (9 Cohen (A). Linread, Romomee, Do 8%p Pri., ENG. VENIGLES (1) Avon Rubber, EXTRACTIVE INDE (1) Durban Deep, FOOD MANUF (2) Kalend, Pascoo's, INSURANCE (1) LEISURE & HOTELS PRICOS'S, RISURANCE (1) LEISURE & HOTELS (1) Chylesia, OH. DOPLORATION & PROD (1) ON, RITEGRATED (2) OTHER RIMANCIAL (1) PRINTING, PRITING, PAPERS & PACKO (3) Idearcald, Trailey Robot, Wymosham, PROPERTY (1) Condit, RETALERS, GLINERAL, CS Signel, Do Ship Pri. SUPPORT SERVING (2) MART Computing, Page 04, TEXTRES & APPAREE (1) Alexandra Workwest, SOUTH AFRICANS (3)

AFFICARS (2)
NEW LOWS (204).
AFFICARS (2)
NEW LOWS (204).
REAL (2) OTHER FORD INTEREST (11)
BANGS (8) BURLDING & CHSTROI (7) Avonation,
Seriatory, Bryant, Countryside Props.,
Persitrones, Westbury, Wilson Bowden, BLDG.
MATLS & MCHTS (9) Anglan, Bordon, Coradon
Do Tup Prt, Hepworth, Norton, MAC, Redand
Rugby, DISTRIBUTORS (1) Devenport Vernor.
ONTRIBUTED INCLS (9) ELECTRICITY (14)
ENGINEETING (5) Hall, Harding Shap, Prf,
Vortac Energy, ENG, VENIGLES (1) Ingham,
EXTRACTIVE INDS (1) Montegue, ROOD
MARLIF (2) Canadian Pizos, Neetia, HEALTH
CARE (2) Intercare, Saton, HOUSENGLD
GOODS (2) Alterpung Parlisus, Siecenight,
BISURANCE (13) INVESTMENT TRUSTS (40)
INVESTMENT COMPANIES (9) LESSING &
HOTELS (1) Fore, LIPE ASSURANCE (2)

MYESTHENT COMPANES (9) LESURES A HOTELS (1) Fons, LIFE ASSURANCE (3) MEDIA (4) EMAP, Flandech, Heritogton (Gord Miror, MERCHANT BANDS (2) OS. ECPLORATION & PROD (2) Amines, Copiez, Resources, OTHER FRANCIAL (9) PHARMAGENTICALS (1) Protess Int., PROPERTY (14) RETAILERS, FODD (4) Brisk Bros., Dairy Ferm, Shorotts, Trepo Can. Roc.

Broa., Delry Ferm, Shoprito, Tesco Cap. Spc. Bd 2005, RETAILERS, GENERAL, IS Alexon, Church, Courts, OB, Sothobys A, Wywell Gerden Cartres, SUPPORT SERVS (5) Remok V-builty, TELECONSIGNECATIONS (5) Breish Tulacon, Sin Cente Nordic, Sociaty Services, Textrices & Appares, (2) Bullers, Campan Inti, Transport (8) Water (10) Americans (9) Camadhans (2). tent activity on inter-dealer

with e big order in the options market. The stock edged up 21/2

broking screens, was in focus

Speculation that the company would be willing to sell its Wembley stadium showpiece was denied by the company. The shares added 11/2 to 12p. Rank Organisation was one name linked to Wembley. The

stadium group, with talk of a

predator waiting in the wings.

ing negative noises. There was disappointment over the share reorganisation at Associated British Foods. where some in the market had hoped for either a share buy back or a hig acquisition to put the company's large cash pile to work. Instead, the company is offering a special dividend of 10p to shareholders. The shares

shares slid 9 to 408p with

Hoare Govett said to be mak-

retreated 15 to 584p.

Phermaceuticals group Glaxo was easier in early trada on speculation in the Sunday press that It was poised to take a stake in or huy McKesson, e US drugs wholesaler. The shares rallied later to close e penny lighter at 562p. Both companies refused to comment on the rumours which have been fuelled by the latest deal between SmithKline Beecham and DPS of the US. Smith-Kline, which filed a euit against a US group, saying it would violate trademark laws with a launch planned for next week of e form of Tagamet, the

ulcer drug, added 3 at 397p. Healthcare company Smith & Nephew held firm at 147%p after announcing a US joint venture deal. British Gas rallied to end the prepared by the Department of Trade and Industry was pub-

lished yesterday.
Oi) shares made strong prog ress buoyed by recent gains in crude oll prices and ahead of expected good results from Royal Dutch/Shell tomorrow. BP touched a record 412p before closing 61's up at 409 %p. Sbell added 7 at 739p and Enterprise 13 to 444p.

Courtaulds fell 16 to 533p as one leading securities house issued a sell note. A broker's recommendation

boosted Avon Rubber ahead of tomorrow's interlm figures. The shares put on 8 to 637p. with Panmure Gordon urging investors to huy the stock. Bus company Go-Ahead

made an impressive market dehut. The shares were issued at 120p, opened at 126p and closed at 125p. Weekend press reports sug-

gesting Channel tunnel opera-tor Eurotunnel is planning to build another tunnel through which travellers will be able to drive cars hit the shares and they tumbled 28 to 422p.

Coets Viyelle saw heavy turnover of 4.3m shares in the run up to an auction of around £11m of scrip dividend shares by BZW. The shares fell a penny to 228p.

USM-quoted Phonelink, the computing services company, fell 46 to 384p on profit taking.

MARKET REPORTERS: Steve Thompson, Christopher Price, Peter John, Joel Kibazo.

■ Other statistics, Page 23

2900 2950 3000 3050 3150 3150 3200 3250 May 204½ 2½ 167½ 4½ 113½ 6½ 70 18 28 35½ 17 65½ 8 109½ 2 159 Jul 212 13 171½ 22 132½ 33 97½ 48½ 78½ 71 48 97½ 23½ 129½ 129½ Aug 252½ 38 215 51½ 177½ 64½ 146 83½ 118 184 91½ 130 78½ 141 50½ 180 Aug 252½ 38 215 51½ 177½ 64½ 146 83½ 118 184 91½ 130 78½ 159 Jul 299 79½ 233½112½ 174 150 127 202 Cals 2525 Pais 7,864 Burnet Caproff Burcot Cacle & Wing? Cacloury Schwapp Calor Group Castlor! Carlon Comms.† Costs Viyelist ahead of its felr value premium session 11/4 firmer at 285p after the joint report on gas pricing to cash of about 3 points. Guinness, subject to persisaround Wembley, the indebted Volume amounted to 12,394 2925 2975 3025 3075 3128 3176 3225 3275 May 178¹₂ 3 132¹₂ 6 88¹₂ 13 51 24¹₂ 24¹₂ 47¹₂ 10¹₂ 82¹₂ 3 127¹₂ 1 173 Jun 191 16 150¹₂ 25 114¹₂ 39 83¹₂ 57¹₂ 88 52 38¹₂ 112 24 147 14 187 Jul 208², 27 138 54 80 97 24 12 24 147 14 187 Sep 246 50¹₂ 172 81 116 123 73 178 Dec† 281 82¹₂ 215¹₂ 114 180 155 114 206 Cato 1,348 Parts 2,129 * Underlying Index velve, Pronthurse shower are based on settlement prices. ■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per ful index point lots.

1.000 2573 2680 470 2 1.000 4870 2 1.000 2 1 of 35,436 contracts in total, of which 10,808 were dealt in the FT-SE 100 option and 3,585 In the Euro FT-SE. A big trade in the Guinness calls and puts made it the day's most active stock option with a total of 5,312 lots. Argyll Group and BP were also busy. ytd Fletum 20.73 36.42 1374.35 19.36 17.50 1196.26 4.15 29.60 15.10 1480.85 4.58 27.16 16.24 1488.29 5.06 18.88 17.11 1211.51 P/E Xd adi. Total retio ytd Return 4.50 27.91 31.95 1083.89 5.10 24.60 42.75 1058.30 4.70 28.44 32.86 1098.71 1.22 80.001 15.35 1162.85 28.61 23.14 1043.47 34.21 12.27 1006.76 34.43 28.58 940.84 34.43 22.58 940.84 27.47 28.39 1091.28 28.22 30.45 1046.20 19.56 12.72 891.74 32.48 15.77 1094.89 95.33 32.42 1158.41 24.64 26.59 1129.05 23.08 20.45 1004.91 7.49 15.61 41.59 929.55 7.49 16.41 11.01 1006.39 5.40 18.16 41.70 1000.54 7.45 15.71 39.85 983.52 8.83 18.11 36.57 970.10 5.50 21.58 19.50 989.90 7.90 14.57 41.70 987.92 8.35 12.45 102.35 621.02 5.68 21.25 13.94 981.73 5.22 22.78 31.60 1047.03 4.21 27.85 18.93 1084.20 4.82 24.54 33.89 1043.33 9.78 12.67 12.03 964.94 5.60 22.33 5.48 815.67 5.68 21.25 13.94 981.73 5.22 22.78 31.80 1047.03 4.21 27.85 18.93 1084.20 4.82 24.54 33.89 1043.33 9.78 12.67 12.03 964.94 5.60 22.33 5.46 915.67 7.00 18.25 9.38 993.82 4.11 27.78 15.14 949.37 2.30 30.00† 5.81 1024.90 8.00 15.49 5.60 815.15 12.17 10.10 15.85 821.74 \$ 0.00 B42.41 7.57 3.48 1699.70 -0.4 1706.13 1707.93 1696.50 1526.18 3.69 5.96 20.36 16.49 1179.91 7.54 15.68 39.57 848.48 15.98 55.86 802.95 10.80 27.84 892.28 16.11 66.88 903.66 10.39 11.21 23.26 887.78 8.64 18.11 19.85 987.22 3.87 32.43 8.21 897.10 2810.78 -0.7 2830.26 2829.08 2816.06 2242.00 2.18 1.82 55.52 19.84 935.72 -0.4 1572.45 1572.45 1558.59 1394.42 3.71 8.08 19.88 17.11 1211.51

42 -12 -7 -44 -2

LIFFE EQUITY OPTIO	NS
Option Jul Oct Jun Jul Oct Jun	Option Key Aug Nov May Aug Nov
Allind-Lucru 550 57 30	Hermon 250 5% 15 18% 1h 10% 15%
(1684) 600 321/2 57	(*264) 280 1 8 11 17% 23% 27%
ATEM 240 17 22 25% 14 18 22% (*248.) 250 7% 12 17% 27 30 34%	Latino 134 169; 25 27 1 8 89; (*148.) 154 2 139; 169; 74; 149; 18
ASDA 30 6% 19 11 2 3% 4%	Lucas Inde 200 5 17 23 2 11½ 18
(55) 60 3 e 6% 7 10% 10%	(*203) 220 1 8 13W 18 24 30%
Brit Airways 390 25% 40 45% 13% 21% 27	P C 0 650 45% 67 79 1 15% 30% (1896) 700 4% 36 51% 12% 36% 56%
(*406) 420 13% 23 31 31 37% 42% Smill Rober A 390 24% 33% 40% 15% 29 30	Pakington 160 16% 20 29 1 7 11
(*300) 420 111/2 21 28 351/471/4 53	(*192*) 200 1½ 10½ 10½ 9½ 17 21½ Prudented 360 4½ 20½ 24½ 3 13½ 19
Boots 550 24 35% 44% 24% 32 36% (*554) 680 6% 18% 26% 60 65 70	(301) 330 1 7% 12 31 33% 38%
	RTZ 800 44 73% 49 1 20% 36
8P 390 83% 42 48% 10% 16 20% (411) 420 17 28% 33% 24 31 35%	(*843) 850 5 44 81½ 12½ 42 59½ Redend 500 17 38% 51½ 1% 19 30
Strikk Steel 140 18 20% 23% 6 8% 12	(*513) 550 1 18 28 40 47% 59%
(*149) 180 @ 11 14% 18% 20 22% Bass 850 38 45 51 24 51 44	Royal Insce 260 714 29 32% 2 13% 19 (*265) 280 11% 15% 23% 17 25 30%
("555) 800 11% 23% 20 57 63 75%	Tesco 220 8 18% 25 1% 10% 15
Date & West 425 33% 15%	[*225] 240 1 9 10 16% 22 27
(*443 1 450 201/2 29	Vocatione 500 40% 57 70 1 14% 24 (*538) 550 31% 28 45 14% 37% 48
Courtautis 500 41% 52% 50 14 22% 29 (*537) 550 14 27% 35% 42 50 58	VALUEUR 354 4 291/2 28 4 18 23
(*537) 550 14 27% 35% 42 50 56 Conva Linios 550 42 48 86 12 21% 25%	(355) 384 1 814 18 3114 3514 41
(°372) 600 15 2314 5114 3714 4814 53	Option Jul Dct Jan Jol Oct Jan
10 800 59 71 % 85 20% 35% 45%	55A 950 55 76% 89% 23 34% 43 (*963.) 1000 29% 48 83 49% 80% 67
(*831) 850 30 46% 59 44 61% 70 Xingfighter 850 46 87 89 16% 28 33	Thumes We 420 391/431/4 45 10 17 24
(7386) 600 21 32% 45 43% 52% 59	(*454) 460 1314 2214 2414 3214 39 4514
Land Secur 800 83 57 61% EM 15 20%	Option Just Sep Dec Just Sep Dec
("548") 550 1714 2714 3414 33 38 4414	Abbry Rud 390 28% 40 47 6 14 17 (*413) 420 11% 24 31 18% 29 31
Maria 6 S 420 15% 24 39% 19 23 27 (420) 450 4 19% 15% 50 51 53%	Amstrad 30 5 7 6 11/4 3 4
Natifies 420 44% 61 59 8% 17% 18	(*33) 35 2% 4% 8% 3% 4% 6% Barclays 500 34% 48% 59 7% 20% 29%
(°451) 460 21 28 87% 26% 35 38	("523) 550 8 24 35% 34 47% 56%
Salesbury 360 33 42 49 11% 19 22%	Blue Circle 300 13 26 31 11 1914 25
(1385) 390 14 254 384 25 31 37 Stell Trans. 700 58% 67% 75 8% 19% 24%	(*300) 330 4 131/4 181/5 33 39 431/4 British Gas 280 19 171/6 201/6 12 17 24
(738) 750 29 26 47 29 41 471/2	(*265) 330 4 91/121/2 27 30 37
Storehouse 200 2014 2514 2814 514 B 1214 ("212) 220 814 15 18 1814 1914 29	Discos 200 11% 18% 24 7 17% 19% (*205) 220 5% 11% 18 20 28% 32%
Tradataer 97 70% 7	Hilledown 180 191/2 25 26 214 8 81/4
(100) 105 8 12%	(*175) 180 8 14 17% 11 15 15%
Uniteres 1050 55 B1 H 95% 21H 31 39 (*1075) 1100 29 53H 67 47H 56 53H	Len/ho 130 14 29 24% 4 10% 14 (*140) 140 7% 18 79% 8% 15% 18
Zeneca 700 37 81% 81% 25 87% 46%	Mad Power 390 29 32 38 1214 22 2614
(*702.) 750 18 2616 2916 55 691; 75 Option May Aug Nov May Aug Nov	(°405) 420 7 18 28% 31% 39 43%
Grand Met 460 23 38 49 1 141/4 22	Scot Power 330 28% 35% 40 5 17% 21 (*349) 360 10% 29 28% 16% 33 35%
(481) 500 1 17% 29 22 36 43	Sears 120 8 12 141/2 31/2 81/2 8
Ladbroks 180 7½ 18 25 1½ 7½ 15 (186) 200 1 6 15½ 15½ 16½ 27	(*125) 130 3 7 8% 9% 12% 14% Forth 220 12 22 23% 7% 14 17%
Und Resource 230 23 36 45 15 105 16	(724) 240 4 13 1412 21 26 2914
(*358) 380 11/1 18 29 121/1 22 30 6550n Jam See Dec Jus See Dec	Terms 155 12 5/2
	(*153) 174 4 1714 Thom EM 1100 6814 9114 111 15 4814 61
Figure 140 18 21 25 6 11% 16% (*145.) 180 4 11% 18 17% 24 28%	(*1148) 1150 41 62% 84 36% 73 86%
	TSB 200 18 25% 29 3% 8% 13
Option. Many Arry Nov Mary Arry Nov	(*213) 220 51/2 141/4 181/5 13 291/5 24 Tourskins 220 21 261/6 38 31/5 9 121/6
Brit Aero 480 17 52 65% 3 32 45 (473) 500 1% 32 45% 30 52% 67	Tomkins 220 21 251/6 38 31/2 9 121/6 (*236) 240 71/2 15 19 11 19 221/6
8AT bels 420 231/4 38 48 1 131/2 22	Welcome 550 42 64 7314 1214 30 38
("439) 480 11 171 26 24 331 44h	7577 1 600 1614 3814 5014 38 57 6414 Option Jul Oct Jian Jul Oct Jian
STR 390 514 22 3014 4 17 2414	Signo 550 41 561/4 64 24 451/4 52
(36)) 420 1 9 17% 31 36 42%	[583] 600 19 33½ 43 53½ 75½ 81½
Prit Talecom 360 81/2 21/2 27 2 171/2 23/2 (*384) 390 1 9 141/2 27/3 38/4 43	HSBC 75p sts 650 7615 95 111 24 41% 45% F695) 700 48 661% 871% 44% 64 75
Cadesay Sch 463 39 1	(1995) 700 48 681/2 871/2 441/2 64 75 Reuters 4825 32 421/4 15 261/6
(*490) 499 3 8	("4750) 4750 284 38 - 214 3114 -
Section Stat. 550 2514 4514 5314 1 26 3414	Option Siley Aug Nov May Aug Nov
(571) 500 1 19% 32% 31% 56% 64 Quinness 460 24% 38 50% 1 12% 19%	Refa-Royce 180 14% 22% 27% 1 7% 12 (*192) 200 1 11% 16% 9% 16 23
Datmess 460 2474 39 50% 1 12% 19% (484) 500 1 17 29 21% 32 39%	
GEC 300 5% 15% 21% 2 15% 19%	Underlying security price. Premiums shown are based on closing offer prices. May 9, Total contracts: \$4,837 Calle: 15,867 Puts:
(*305) 336 1 414 914 2814 38 4014	May 9, Total contracts: \$4,857 Calle: 15,857 Puts: 19,070

.IFF	E	30	U	T	aC	P	ΓIO	NS								RIS	ES /	AND	FAL	LS Y	YE	ST
			CHE													British	Fund	5				
(RR	_	,10	Oct	,	_	003	_	Option		May		_	May	<u> </u>		Miner	i Edn	Interes action .				
Ljon	550 500	=		57 121/4		-	30 57	Hermon	260				14 1			Gener	al Mar	rufactur	ers			
4)		17		2574			22%	(*264)	280 134	1634		27	17% 2			Coneu	mer G	cods .				
8)		TH		17%	27	30	3472	(*148)	154			151/2	74 1	14%	16	Utilibe	S					
٨		675				315		Lucas Inde				23			18	Finanç	ials					
)	60	3	e	675	7	10%	10%	(*203)	220	1		13%	18	24 3	01/2	hyest	ment 1	rusts .				
Airways	390	25%	40	45%	13%	21%	27	Peo		45%		79		5% 3							===	_
6)	420	13%	23	31	31	37%	425t	(*895) Pakington	700	1635		31 % 29	12%	7 7		Totals						
Ectes A				40%				(192)	200		10%			17 2		Date be	esed or	n thoma	COMPAN	igo İqq	ed or	n Uhi
8)				44%				Prudential	300		20%			374								
4)				20%				(*301)	220	1	714	12	31 3	314 3	372							
••					-	_		RIZ	800		73%	A		1014	38							
	390			40%			2014	(.843.)	850			8114		42 5		TRA	DIT	ION	L O	PTI	ON	S
1) A Steel	420 140			23%			35% 12	(°513)	500 550		36%	28	175	19 7% 50	30	First D						May
9 }	180	e		14%			22%	Royal Insci			29			314		Last D					, v	lay :
	850	*	45				44	(*265)	280		15%		17	25 3	01/2		_				_	_
5 }	900	11%	53 Ju	20	57	23	75%	Teeco	220		15%	25	115 1	Olt	15	Calle:	Bolto	a, Eur	Dian	оу, М	AID,	, Ri
L Wes	475	33%	_	_	15%	_	-	(225)	240				161/2		27	Dieney	, JF F	ecific	WL			
31	450	2012	_	-	29	-	-	Vocatione	550	40% 314		70	1 1	472	24 48							
tautis.				- 60				(*538) Williams	354		2914	28	4		70 23		-			· ·	-	
7)	550 550			351				(355)	384		814		3115 3		41			N RE	CER	ll k	22	36
re Linine 2)	600			51 %				Ootlon		J#	Det	Jan	.bd	Det J	lan	beue		MoL				
-,	_				6			BAA	950	_	76%	_	23 3	W.	43	price	UP	(Eller)	199 High		Stre	ek
	800		71%		205			(1983)					49h 6		E7						_	_
1) Refer	850 850		46 M		44 16%			Thomas We	420	39%	431/2	45	10	17	24	100	F.P.	40.4 1,34	102		Abtr	
8)	500		32%		4334			(*454)	460	131	2214	24%	32%	39 4	574	_		1,233.8		21412	Ash	anti
				-				Option		Jun	Sop	Dec	Jun 3	Sep D	ec	100	F.P.	41.0	115	110	DRS	C Da
Secur	800	53		614			20%	Abbey Nati	390	251/2	40	47	6	14	17	•	F.P.	10.8 20.5		2612	Edin F e	
5) 5 8 5	420			34%		23	44%	(*413)		11%					31	180	F.P.	B1.1	171	160		
0)	450			15%				Ametrad	36		4%	EW.	314	3 416 E	4		F.P.	41,7	128	125	Go-	Ahe
Fest				50			18	(*33) Bardays		34%		50		0% 2		185		104.2	483	479		
1)	460	21	28	27%	261	35	38	("523)	550			35%	34 4		574			41.6	196 181	152		
stury	360	33			11%	19	22%	Blue Circle	300	13	25	31	11 1	D# 1	25		F.P.	-	96	96	Inti I	Biot
5)	390	14	25%	234	25	31	37	(,300)	330		1314			39 43			F.P.		40	30	Do.	War
Trans.					855			British Gas	280 330		17%		12		24 37	130 156		88.3 82.5	138	122 152	Month	*
B)	750			2815			1236	(*265) Dhoos		11%		24	27 7 1	714 19		80		27.7	87	73	Oxfo	ad i
2)	220				15%			(*205)	220		11%	16		814 30		200		71.1	241	216	Parts	CO
· .								Hilledown	•	19%	26	26	214	8 8		100	F.P.	21.9 5.53	181 60	160	Pera Secu	
Migrar D)	105	70%	_	-	7 1256	-	-	(775)	150			17%		15 15		129		26.5	133	131	St J	атте
7	1050		B1 14	15%		37	39	Lando	130			2414	4 1		14	198		12.6	261	196	Supr	ersc:
757				67				(*140)	140	716	16	1972	B% 1	577	18	100	F.P.	42.7 3.88	93 50	91	Tem Do V	plat
-	700	37	5114	MH	25	3772	461/2	Mad Power		29	32			22 20			F.P.	141.4	184	100		
2 }	750			39% Sor				(°405	420	7			31%			100		81,2	102		Unde	
	_	_		_		<u> </u>		Scot Power		281/2		40		7% 2								
d Met	460 500	23	17%	29		14%	43	(*349) Sears	120	10%			16h 3½ (B							
rorus	180	7%	18			7%	15	(*125)	130	- 3			91/2 1									
5)	300	1		15%			27	Forte	220	12	22	2314	74:	14 17								
		23	36		1%		16	(*224)	240	4	13	14%	21	26 29	176							
1)	380	1%	18		1214			Teres	155	12	-		532	-	-	Rigi	1TS	OFF	ERŜ			
Ti I			_	Dec	_	_	_	(163)	174	4			1714	-	-	Issue	Атпри	one La	atest			
8	140		Z1	25		1114		Thom EM	1150				15 4		31	price	pak		STUT.		199	4
5)	100	•	11%	10	1714	24	æπ	TSB	200				316			Р_	up		tate	High	1	<u> </u>
10.		May	Amp	Nov	May	Aug	Nov	(213)	220	5Y2	1414	18%	13 2		24	-	N		-	3pm	1	1p
Aero	480	·	_	8514		32		Tomkins	220	71	2614	38	31/2	9 12	24	390	N		7/6	79pn	1	20
3)	500			45%	30	524	87	(*236)			15			19 22		52	M		2/8	4 ¹ 200	n	14
lads	420	31/	38	48	- 1	13%	22	Welcome	530	42	54	73V.	1214	30 3	18	8 55	N		6/6	1 ³ 2рг 16рп		45
))				25				(*577 1	600				38			500	N		6/5	63pm		50 58
	-		-	-			n es	Option		J,I	uca		Jul (_		5	M	3	11/5	Чри	1	25
	390 420	514		1714	31	17		Gieno	550		561/2				2	192	V	1	5 / 8	27pn	N	14
(decom						30 1714		[*583]	600				316 7			25 2	NI NI		4/5	4pm		1,4
1)	390	1		14%				1680 TSp sto (1695)					24 4) 1416			24	N		-	spn))pn		110
35 S	453	29	-	-		-	-	Sentana Loso 1	4625				15 2		-	330	N		9/0	43pm		25
)	493	3	-	-	8	•	-	(*4750)		25%			1114 3		_		_				-	,
n Bit	SEA !	-	-	2914		26	214	Option					May A		7 4	ETAL A	NO				•	_
)	500			321/2				Rolle-Royce		_	22% 2	_	1 7			FINA			_			
1835				501/2		125		(192)	200		11%			16 2				M	ay S	May (9 N	4ay
1)	500	1	17	29	2115	32	39%	Underlying					_	CTHET !		Ordina			477,2	2481	.0	248
				21%				based on a	OPPO	9500	prices	_				Ord. di			4.02	4.0		4
)	330	1	472	7%	287	38	40.5	May 9, Tota 19,070	cont	SOUR.	34,83	C	c 15,	767 Pu	de:	Earn. y		N.	5.48	5.4		5
								-D,uri U								P/E rati			13.56 20.47	19.0		18

FT GOLD	MINE	SI	(DE					
	Mary 6	% ong on day	litay 5	May 4	Year ago	Gross div yield %	52 was	ek Low
ki lilines Index (35)	1858.20	+5.9	1796.68	1829,18	1541.20	2.04	2387.40	572.0
degional indiges								
rice (15)	2535.79	+23	2470.22	2558.82	2002.83	4.78	3440.50	861.50
etralacis EA		-0.2	2174.97	2216.83	1670.05	218	3013.89	650.29
orth America (11)	1814.26		1087 10	1584.25	1961 10	0.80	2039.65 1	903 05

LONDON EQUITIES RISES AND FALLS YESTERDAY 169 245 32 1,017 1331

Last Declaration

price		MAL	19	94		Close		Net	Ωle	Gna	P/E
P	up	(Em.)			Stock	P	+/		COV.		ngt
100	F.P.	40.4	102	95	Abtrust High Inc	101			_	_	_
				9	Abtrust Scot Wits	10		_	_	-	
-		1,233.8	2147	21412	Ashenti Gold	2144	+14		-	-	
100	F.P.	41.0	115		DRS Data e Res	115	+2	LN2.8	1.1	3.0	27.4
				2612	Edinboh, Inca Wis	27		_	-		
-	· F.P				F C C Grth Writs	41		-	-	_	
	F.P.				GRT Bus	171		RN3.8	3.3	2.8	13.2
120	F.P.				Go-Ahead	125		MN4,0	1.6	4.0	19.0
-					Govett Global Smir	479		_	-	_	
	F.P.	41.6			Hernleys	182 -	37		2.2	3.2	17.5
160	F.P.	420.2			House of Freser	183	+1	LN5.0	22	3.4	16.5
-		-	96		Inti Biotech	95		_	-	_	-
-		-	40		Do. Warranta	40	+1	-	-	-	-
130		68.3			Keller	122	-6	WNQ4.7		3.9	14.1
	F.P.	82.5			Nottingham	157	-2	u5.52	1.5	4.4	15.4
	F.P.	27.7			Oxford Molecular	75		_	•	-	-
	F.P.	71.1			Partico	241		L5.35			20,8
100	F.P.	21.9			Persons	181		LN3.84	2.8	2.7	16.2
	F.P.	5.53	60		Secure Retirement	55	-4	_	-	-	_
	F.P.	26.5	133		St James Boh Hot	131		RN3.8	1.7	3.6	16.2
	F.P.	12.6		196	Superscape VR	235	-3	_	-	-	-
100		42.7	93	91	Templeton Lat Am		J2	-	_	-	-
_		3.50	50		Do Wrts	42	-2	-	-	-	-
		141.4	184		Templeton Emg C	101	-1	-	-	-	-
100	F.P.	81.2	102	90	Undervalued Asta	102			-	-	_

Issue price	Amount paid	Latest Renun.		994				Closing	+0
P	up	date	High	Low	Stock			P	
-	N	-	3pm	1pm	Abtrust :	Scotland		1 ¹ ₄pm	
390	N	17/6	79pm	26pm	Airtoure			79pm	6
52	M	2/8	4 ¹ 2pm	1 ¹ zpm	Albert F	sher		3pm	
8	N	16/6	1 ¹ 2pm	14pm	Affed Ra	do		lapm	
55	N	-	16pm	5pm	Date Re	ctric		5pm	
500	N	26/5	63pm	58pm				58pm	
5	M	31/5	4pm	¹ 20m	Farrum i			1 ₂ pm	
192	NE	15/6	27pm	14pm		Armiley		14om	
25	N		4pm	1 4 pm	Pentos			2 lpm	
2	N	24/5	spm	4pm	Tamans			4pm	
24	N		3 3 pm	11pm	Unit			11pm	
330	NE	9/6	43pm	25pm	Williams	Hidge		26pm	4
FINA	NÇIAL	. TIME	S EQ	UTTY	INDIC	ES			
		May S	May e	May 5	May 4	May 3	Yr ago	"High	10
	y Share	2477,2	2481.0	2481,9	2463.8	2494,1	2217.8	2713.6	243
Ord. div	. yield	4,02	4.01	4.01	4.03	3.99	4.18	4.05	3
	1 % full	5.48	5.47	5.47	5.49	6.42	8.30	5.51	3
YE ratk	net	13.56	19.60	18.52		18.79		33.43	18
P/E ratk	n I	20.47	20.49	20.51	20.45	20.69	18.38	30.80	20

FI CHEMINY SHAPE FILLER DE	and comme if	///36L				
Ordinary Share hourly	change					
Open 8.00 10.00	11.00	12.00 13.00	14.00	15.00	15.00 High	Low
2473.2 2466.8 2464.9	2465.9	2465.0 2465.5	2465.7	2484.2 2	473.0 2479.1	2462.5
	May 8	May 6	May 5	May 4	May 3	Yr ago
SEAC bargains	24,93	25,404	23,992	22,86	4 24.632	29.94
Equity turnover (Em)†		- 1241.1	1469,0	1224.		1083.
Equity bergains†		28,845	27,242	25,86	8 27.406	33.01
Shares traded (mi)†		570.8	585.3	494.		504.
+ Eurholina internation by						

1111 EURO STYLE FT-SE MID 250 INDEX OPTION (OMLX) 210 per full index point FT - SE Actuaries Share Indices FT-SE 150 FT-SE Mid 250 FT-SE Mid 250 ex Inv FT-SE-A 350 FT-SE-A ALL-SHARE E FT-SE Actuaries All-Share

HEC CREATE AND A STATE AND A S

| Mat. | Cappen | Cap ᆙᆙ설뼥똣훳뼥뛖궦뼥첉돢냋뽰뢦뛖짇쬤뀨辨찞놁켂찞눆똣캢빏댬뫇냋떏뫢혛낁식쯗쟓쬤줮띥쳪댭깓뫱컾XF숒띰쵞섌녆똣묏녺띥윹쮩뇈뺭끸짫첧쀼蛟뺜먑 췙윘잌뉌윘뼥뙲

| The company content of the company content | Testaria 1961年 1962年 1962 loc control of the co

Mar Capen 1.81 28.1 1.217 182.7 182.7 182.7 182.8 1,252

| | YTTP 10¹/₂ 172 173 286 312 221,873 9834

For & Col Recomm #CO
Wherevier
For & Col High - M-CO
For & Col High - M-CO
For & Col For - M-CO
For & Col Soft - M-CO
For - M-CO

18 192 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183

71:3 754.

Andrew Control of the
OFF THE WAY WAY

ENT TRUSTS - Cont.

17

11.

報告 - 1 日本 - 1

The state of the s LONDON SHARE SERVICE LEISURE & HOTELS - Cont. Mai Captim 381.2 41.8 48.5 393.5 393.5 50.6 66.2 163.3 | Perpetated Japan | Price | P WATER 681 (15,400) 2,657 (15,400) | 1990年 | 19 + 0" 1894 - 1804 1804 - 1815 1233 - 2013 144 - 1816 1233 - 2015 1233 - 2015 1233 - 2015 1233 - 2015 1233 - 2015 100 - 122 163 - 2015 1333 1.8 15.8 Amer Borrick
2.5 17.5 Ex Montreal
2.1 - Ex Nova Scot - Ex Got - Ex Price £ 15-1, 13-1 19.12 20.1 Note of the company of th +18 537p +18 537p +3, 1235 -2, 1553 +17% 473°2p; -1, 11% -1, 10% 1,583 500,4 4,104 642,0 3,043 1,548 OTHER INVESTMENT TRUSTS OTHER INVESTMENT TRUST
The lationing investment trusts are not eligible for inclusion in the FT-6F Actionites Sherr bodies.

Brazilian for 184. □ 204. □ 68 8892.

Warrants. □ 4292. □ 61 322.

Worden Sander Sander Bodies. □ 32 4894.

Worden Sander Sander Sander Bodies. □ 32 4894.

Worden Sander Sander Sander Sander Bodies. □ 33 494.

Worden's Sander ## A galdle only, Son galdle to London Share Sortice

INVESTMENT COMPANIES

A galdle only, Son galdle to London Share Sortice

A galdle only, Son galdle to London Share Sortice

A galdle only, Son galdle to London Share Sortice

A galdle only, Son galdle to London Share Sortice

A galdle only, Son galdle to London Share Sortice

A galdle only, Son galdle to London Share Sortice

A galdle only, Son galdle to London Share Sortice

A galdle only, Son galdle to London Share Sortice

A galdle only, Son galdle to London Share Sortice

A galdle only, Son galdle to London Share Sortice

A galdle only, Son galdle to London Share Sortice

A galdle only, Son galdle to London Sortice

A galdle only, Son galdle to London Sortice

A galdle only, Son galdle to London Sortice

A galdle only, Son galdle to London Sortice

A galdle only, Son gal LEISURE & HOTELS Aberdom 10. Admin Priza Aberdom 10. Admin Priza Abordom 10. Admin Amount + or 1994
- 1994
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995
- 1995 FT Free Annual Reports Service
You can obtain the current annual/interim report of any company annotated with \$.

Free Annual Reports Service
You can obtain the current annual/interim report of any company annotated with \$.

Flease quote the code F79233. Ring 081-770 0770 (open 24 hours including weekends) or Fax 081-770 3822. If calling from outside the UK, ring +44 81 770 0770 or fax +44 81 770 3822. Reports will be sent the next working day, subject to available by leighbone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription £250 stg.

Call 071-873 4378 (-44 71 873 4378, International) for more information on FT Cityline.

TORANCES

Total Sept 100 - 1 E Mingram Ltd (1 1945) Length ECIR 340 071-037 7607 - U 137.07 137.57 145.21 - 0.00 Lot Trust Mingra Ltd (1100) Longon Bridge, Sci 071-407 1980 their Unit Tabs PLC (1600)F r Centra, Saringos, SN1 1st. Clant Dig (793 5145)4 Die V 52 232.8 252.6m 249.8 -1.80 3.03 552 470.3 419.6m 449.7 -2.20 1.51 531 69.49 694.9 742.9 -3.30 2.44 542 12500 1236.0 1310.0 -8.90 2.93 - 55 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | | Context (Pa. | Indext (Pa. | Remergiat and Purp' Cooks

OF Played, Country (P1)13 207

OF Royal, Country (P1)13 207

OF Royal (P1)13 70,025

State (P1)13 70,0

FT Cityline Unit Trust Prices are available over the telephone. Call Cat and the Trust That May the Price File Pr	If the FT Cityline Help Desk on (071) 873 4378 for more details.	OF AT THE AS AS AS AS AS AS AS	### ## !FELAND (REGULATED)(**)	JERSEY (SIB RECOGNISED)
Scuttisty Equitable pic 257.5 Control	Alberry Informational Assurance Ltd Street Standin Life A St they'd Castisteen, but of lies Standin Life A St they'd Castisteen, but of lies Standin Life A St they'd Castisteen, but of lies Standin Life A Standin Lif	No. 250 Strict P.D Box 250 32 Pater Part Governor 12 Oral 77 (Polit 1252 1	urd Frence Appat Management (C) Ltd No. Prop. Pr	AMS Franci Minnagener (EC) Mar our Year Price Corp. Friton Limitation Corp. Friton Price Corp. Fritan Price Corp. Friton Price Corp. Fritance Corp. Fritance Corp. Fritance Corp. Fritance Corp. Fritan Price Corp. Fritance Corp. Fritance Corp. Fritance Corp. Fritan Price Corp. Fritance Corp. Fritance Corp. Fritance Corp. Fritan Price Corp. Fritance Corp. Fritance Corp. Fritance Corp. Fritan Price Corp. Fritance Corp. Fritance Corp. Fritance Corp. Fritan Price Corp. Fritance Corp. Fritance Corp. Fritance Corp. Fritan Price Corp. Fritance Corp. Fritance Corp. Fritance Corp. Fritan Price Corp. Fritance Corp. Fritance Corp. Fritance Corp. Fritan Price Corp.
Press Control Press Pr	Affind Dumber International Assurance Ltd (r) Add 1 Ad	1.02	Second Property Second Second Property S	Burley Femile Australia Co. St. St. 2770 1 1 776 1 337
Scottligh Life Investments 193 Acquire Report 200 Acquire Report	-0.8 - mil. top 1166 Higher Add. S1.200 Lide Higher Ad	1,000 1,00	10.113 1	以\$4
Scattlish Methani Assectance pilc 100 9 Vincent 20 041-249 6821 Processor (70 20 20 20 20 20 20 20 20 20 20 20 20 20	1.00	1.100	definors (Generally) Unified Company Citizens investigated Tract Magic Company Citizens in March 19100 1.00 2.00 Citizens in March 19100 1.00 2.00 Citizens in March 1910 1.00 2.00 Citizens in March	The second of th
Section Part Section Section	Color Colo	1.00	Ichi Capital Management (Bernarey) Lid See Green S1171 To See From S1172 10.74 10.00 0.00 in SF From S1172 10.74 10.74 10.00 0.00 in SF From S1172 10.74 10.00 0.00 in SF From S1172 10.74 10.74 10.00 0.00 in SF From S1172 10.74 10.74 10.00 0.00 in SF From S1172 10.74 10.74 10.00 0.00 in SF From S1172 10.74 10.74 10.00 0.00 in SF From S1172 10.00 0.00 in SF From S1172 10.74 10.00 0.00 in SF From S1172 1	Similar February 1
Transcript Tra	1	SERVICES SERVICES Conf. Sensor, C. 247 700 0007 0000 000 000 000 000 000 000	Fight Visid (a)	Graph Speck low List Proby Briest Plantiflorid Global High Inchine J. 67 18-120 18-22 18-22 18-22 Deser Calle 18-22 18-22 18-22 18-22 Deser Calle 18-22 18-22 18-22 18-22 18-22 Deser Calle 18-22 18-22 18-22 18-22 18-22 Deser Calle 18-22 18-22 18-22 18-22 Deser Calle 18-22 18-22 18-22 18-22 Deser Calle 18-22 Deser Call
1965 1965	-0.7 State of the country of the c	10 10 10 10 10 10 10 10	Intermedicate Fel Bittengers (Prelimer) List Section Sec	bed-minimal effect 55 \$1.00 \$4.07 \$5.00 \$70.00 beta, famel feet \$3.0 \$1.00 \$1.00 \$2.00 Striken, stepshaft = \$3.0 \$1.10 \$1.00 \$1.23 US Defar feetinged 3- \$1.0 \$1.20 \$1.00 \$1.00 US Defar feetinged 3- \$1.0 \$1.00 \$1.00 US Defar feetinged 3- \$1.00 \$1.00 US Defar feetinged 3- \$1.00 \$1.00 US Defar feetinged 3- \$1.00 US Defar feeting 3- \$1.
Total London Rd. September St. 178.3 -1.2	Earling Start to of Life Earling Start to of	Description CPT Spid 6111 Royal Spik Spid 6111 Royal Spik CPT C	Windowski Shorton Mic. United Shorton Mi	Lloyds Bank (C) U/T Mgrs. P0 four 192, 29 four Juney 1984 250022 Lloyds Tox (Di
1985 1985	International Growth #22446 2.785 -0.015	1022 -0.04	Europear Euro	Royal Bank of Canada (Jay) Fil Migh List (1400) FO bas 194, 9 Hadro, Jamey Gord Stating Fil
IK Bus Dily Ato	Finance International Ltd Fig. 2	126T - 5640.00' 100525 2013 2014 48 (49.7) 7 7 7 6550	10	Discretization State
Confide Section 5 & Crowdig 141.7 144.2 1.3	1.7 1.7	1847 -1.44 -1.25	TALLE STATE OF THE PROOF OF THE	100g
Page Fr. Child	2.1	100 100	The state of the s	Citits and Atlanta States Stat
Courte Valuation Live 98000 181398	2002 E18353 Selection S From 2008 1,02	Managed Fund. \$-2.66 \$\tilde{\text{Z}} \ \$\text{Garmany} \ \$\text{Garmany} \ \$\tilde{\text{Z}} \ \$\text{Garmany} \ \$\tilde{\text{Garmany}} \ \$\text{Garmany} \ \$	TS Sector A. 5- 15.25 14.54 4.75 (0.00 1	Copies
Second	Professional Investment Commitments	GUERNSEY (REGULATED) (***) For State 200-94228 GUERNSEY (REGULATED) (***) For State 407 State 507 State	of Schmark 5 - 12.67 - 4.65 -	TOTAL CONTROL
1900 1900	- Stor Francisch - 2009 3.255 - 55 000 55 55 55 55 55 55 55 55 55 55 55	2017 - 10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Same Section	Street Sentent (of 1997 berg Control Contr
Property 38-4 372.7 4-1 1-3 Countain length Present 8. 1853.6 876.00 Property 38-4 372.7 4-1 1-3 Countain length Present 8. 1853.6 876.00 Property 38-4 372.7 4-1 1-3 Countain length Present 8. 1853.6	Section France Indiges Section France Section Franc	Compared Control of	2- 1.63 1.65	Shariba Damanishid Grouth Familia Filter Formatishi (19.4) (2.5)
Deptited Section Sec	1 The part of the first 1,000 1,	A-TIES ON ZHOPE STREET PORTIONS SEE (Z3) Led SOURCE STREET	04 2457 -488 0 100	Alletthard Differ (Jersey) Lie!
10.5 10.5	SAM 5 SAM	Larrel from T Rect. 10.65 10.50	Interestional Frank	STORY OF THE PARTY
	•	-	1	

in it.	
JERSEY MS RICORDS	FINANCIAL TIMES TUESDAY MAY 10 1994 FT MANAGED FUNDS SERVICE
All the state of t	Public Printes - Brittes - Brittes - Printes - Brittes - Printes - Brittes -
Service of the Control of the Contro	Combined Offer - Contol. Equily heads Sept Maritime Sept
= 1	Contraction Court
Processor (Control of Control of	Main Reference Main
And the second s	Author in time 1.00
	Comparison Report Notes 1948
	For Regular Treat page Plant of Change 1
	Prices and May 9 Prices
The state of the s	
	The state of the s
	Provide Control Contro
With the second	bed Come Mrd Other +or Value (all Antinome College) 5 455 5 - 100 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
And the second second	Advance Age According Ac
	Anteriore Photolick Revestment Portifician (n) Design 20.352 478012220 Fac 47888 Inches Face Sec 47888 Inches Face Sec 47888 Inches Face Sec 47888 Inches Face Sec 47888 Inches Face Sec 47888 Inches Face Sec 47888 Inches Face I
	22 Instructed Regard Language Control 2012 22 Control 2012 23 Control 2012 2
	Digity the French Table Ta
en e	April Apri
Mark to Market and Mar	State Principal Plant Del 1.53 - 1.75 - Surgicial State Del 1.50 - 1.75 - 1.7
and the second day	Sharefilled
	First Enter Control Co
7 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	Earting Board Acc. 15 15 15 15 15 15 15 1
	Fig. Spring Reservoir Services Register Services
THACK YEAR IS	2
au # fo Dietuud	Exprise Genty 4- 5% 5- 1202 1279 - 1209 1279 - 1209 1279 - 1200 1279 - 1200 1279 - 1200 1279 1279 - 1200 1279 1279 1279 1279 1279 1279 1279 1279
2	Berni Fouri
्रा चार्च स्थापना । स्रोत	Authorities (1997) April 1997 Apr
	Jaconspir Graffing 1
p. Trive G	Second Control Seco
	Compact SA State of the Compact SA State of the State of
and the second s	Street S
E 1	Transa Global Language Control
	Part
	The Bridge Control of
-	17 Part Accounts (1) 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	Description Company Age of March 19 19 19 19 19 19 19 19
ر المسلم الم المسلم المسلم	And the state of t
	The plants are the plants and the plants are the pl
	ET. Investment Management List 14 Res Advisors 10 April
	Earlie Star - Clicked Assess Flats (b) Sine Advances 1/1
	Trian Among 1, -11 to Logarithms (Part 1) to
	Affine or present the first principle of Companies (Companies of Companies of Compa

Markets ponder dollar

Foreign exchanges spent yesterday in fruitless anticipation of a tightening of US monetary policy that never arrived, writes Philip Gowith.

The weakness of the dollar

last week, combined with stronger than expected April jobs growth, has convinced the market that it is a question of when, rather than if, the US Federal Reserve raises rates

yesterday, ahead of the \$29bn quarterly Treasury refunding that takes place today and tomorrow. A weak dollar and unstable US assets markets were seen as obstacles to foreign participation in the

refunding.
The dollar finished nearly a pfennig lower in London at DM1.6579 from DM1.6661. Against the yen, it closed at Y102.875 from Y102.780.

Elsewhere sterling failed to gain any support from strong April credit figures, and slid lower against the background of political uncertainty. It closed in London at DM2.4801 from DM2.4859.

In Europe, the D-Mark fin-ished mostly weaker. It closed in London at FFr3.427 against the French franc from FFr3.429 on Friday. Against the Italian lira, it finished at L958.9 from

■ The release of Japan's March capital account figures shed considerable light on recent dollar weakness. The \$21.92bn capital surplus was the highest on record. The Ministry of Finance said it was the result of Japanese companies selling US and European bonds ahead of the March year end, as well as foreign buying of Japanese stocks which hit a record high in March.

Combined with a large current account surplus, this provides a key explanation for recent yen strength - although figures for March show a 16 per cent fall from a year earlier in the current account surplus. If the capital account figure proves to be a one-off phenomenon, as some analysts are suggesting, and the current account surplus falls in the second half of the year, the combination could prompt the revival of the dollar against

EXCHANGE CROSS RATES

Portugal Spain Sweden Switzerla UK Canade US Japan Ecu Yen per 1,

CROSS RATES AND DERIVATIVES

19.01 10 11.42 3.913 9.476 0.498 3.466

8,020 3,787 4,760 8,439 4,586 9,705 4,700 6,487 63,06 7,641

+0.0001 +0.0003 +0.0007

-0.0021 -0.0018

5% 5% 50 5.15 5.35 6 78 8 5.13 5.29 4 4% 4% 2%

EURO CURRENCY INTEREST RATES

5% - 5% 6% - 5% 5% - 5% 5% - 6% 12 - 11% 13% - 3% 3% - 3% 5% - 5% 4% - 7% 2% - 2% 3% - 2% 3% - 2%

94,47 94.72 94.66 94.50

94.93 94.23

84,44 94.68 84.84 94.50

94.89 94.21 93.72 93.46

-0.13 -0.14 -0.13 -0.15

94.47 94.73 94.66 94.54

94.93 94.24

94.44 94.68 94.63 94.48

LOW

94.69 94.23

11,376 8,447 3,474 3,314

486 325 0

59,840 45,069 37,017

ISB FRANC FUTURIES (IMM) SFr 125,000 per SFr

WORLD INTEREST RATES

US Dollar CDe SDR Linked Da 7.900 3.326 4.169 7.391 4.017 8.600 4.118 5.882 55.23 6.606

High 0 6035 0.6027 0.6035

2.65

2.55

1,4965 1,4958 1,4950 1,4945

Analysts said that the failure of the Fed to act yesterday merely meant that the market would continue each day to swait a cut, expected at the latest after next Tuesday's meeting of the Federal Open Market Committee.

What the market is hoping for from the Fed is that it will act sufficiently boldly so as to be able to declare that rates have reached the "neutral" level. This should stabilise asset markets as it will allow investors to re-enter equity and bond markets without the fear of another policy tightening hanging over them.

■ Some clarity will emerge today on what sort of succour the dollar can expect from the Bundeshank, Decisive confirmation that German rates are on a downward path is seen as one way of supporting the dol-

The Bundesbank will announce the terms of its weekly repo operations. Ms Alison Cottrell, international economist at Midland Global Markets, is expecting a 4-6 basis point cut in the repo rate from its current level of 5.41 per cent. Call money yesterday was trading at 5.35/50 per cent, which suggests a fairly small cut is likely.

There has also been speculation that the Bundesbank might lower its discount rate when the council meets on

2,006 1,056 1,205 0,413 1 0,043 0,358

0.952 0.401 0.502 0.880 0.484 1.024 0.496 0.584 6.654 0.796

2.305 0.870 1.218 2.157 1.172 2.480 1.201 1.658 16.11 1.927

16.65 4.859 6.758 2.555 10 2.616 3.427 1 8.301 2.422 0.357 0.104 3.053 0.859 2.305

4669 5.455 2450 2.869 2798 3.275 958.9 1.123 2322 2.719 100. 0.117 854.2 1

1.989 1.365 2.421 1.318 2.784 1.346 1.861 18.09 2.163

Est. vol Open int, 63,530 115,584 364 5,728 10 621

4.75 4.75 5.00 5.00

7.50 6.00 5.25 5.25 3.50 3.50 3.00 1.75 1.75

7.75 7.76 5.47 5.47 6.50 8.50 8.10 8.27

Jun Sep Dec Mar

Strike Price 9500 9525 9550

21,08 11,09 12,00 4,336 10,51 0,452 3,665

4.210 5.277 9.367 5.065 10.78 5.211 7.193 09.82 8.361

500.5 253.4 300.7 103.1 248.6 10.73 91.81

237.5 190. 125.4 222.3 120.8 255.6 123.8 170.9 1661 198.6

399.5 210.1 239.9 82.22 199.1 8.574 73.24

189.5 79.77 100. 177.3 96.36 203.9 98.74 136.3 1325 158.4

Open 0.9766 0.8794

1,4892 1,4926

95.03 95.22 95.13 95.03

92.31 92.40 92.27 92.06

Open

96.18 96.14 96.01 95.85

94.44 94.53 94.43 94.20

95.00 94.32 93.81

0.11 0.03 0.01

84.92 94.22 93.74

M US TREASURY BELL FUTURES (MAG) Stm per 100%

0.28 0.13 0.05

0.32 0.19 0.10

0.27 0.18 0.07

0.02 0.13 0.35

Wednesday. Ms Cottrell said that, on balance, she did not did expect a move. The spread currently between the discount and repo rate is standard, and will not complicate money management.

■ Sterling started the day weaker with the exchange rate index opening at 79.2 compared to Friday's close of 79.5. Analysts said sterling's opening level of DM2.4750 was the lowest this year.

Analysts attributed the cound's weak performance to a delayed reaction to the Conservative's poor showing in last week's local elections, aggra-vated by negative weekend

press coverage.

Mr Mark Geddes, treasury
ecnomist at Midland Global Markets, commented: "On the basis of recent economic data, which has almost uniformly been stronger than expected the pound should be significantly stronger. In spite of this, the extent of Tory party losses do now, however, tend to rule out a significant rally in sterling over the coming month as political considerations con-tinue to dominate."

In the money markets, the Bank of England provided £360m of assistance after forecasting a shortage of £350m. The overnight rate traded in the 31-51 range.

Sentiment soured in the sterling futures market, with contracts losing ground across the board. In light trade, the June future closed at 94.56 from 94.59 on Saturday. The Decem ber contract fell ten basis

points to close at 93.66. Mr Brian Durrant, head of research at brokers GNL commented: "Although the market is in principle oversold, there is nothing for buyers to bite on." Buoyant consumer credit figures failed to help sterling, or interest-rate markets. The Central Statistical Office (CSO) reported March net consumer credit up £516m, ahead of market forecasts of about £350m.

May 9	8	5
HUTGET	153.249 - 153.375	102,460 - 102,610
Iran	2612.00 - 2618.00	1748.00 - 1750.00
No.	0.4447 - 0.445B	02973 - 02978
Poland	33330.1 - 33410.1	22290.0 - 22330.0
Russia	2770.50 - 2782.50	1852.00 - 1850.00
LAE	5,4921 - 5,4034	15715 - 35736

22.53 4.146 11.85 2.180 13.53 2.489 4.837 0.853 11.23 2.088 0.484 0.086 4.131 0.780

1.967 0.828 1.038 1.840 1 2.115 1.025 1.414 13.75

-0.0048 -0.0039 -0.0033

THREE MONTH EUROMARK PUTURES (LIFFE) DM1m points of 100%

-0.01 -0.02 0.01 -0.01

Change

-0.02 -0.01

+0.02

MORTH ECU FUTURES (LIFFE) Equim points of 100%

-0.08 -0.08 -0.07

4.499 5.640 10 5.435 11.50 5.569 7.687 74.72

Ladest 0.8740 0.9810

95.03 95.21 95.15 95.03

92.15

1.959 1.030 1.176 0.403 0.977 0.042 0.359

0.928 0.331 0.490 0.870 0.473 1 0.484 0.659 0.496 0.777

High 0.9798 0,9850 0.9906

95.04 95.23 95.18 96.03

High

92.31 92.44 92.33 92.18

High

96.16 96.17 96.64 96.85

High 95.00 94.32 93.81

4.046 2.128 2.429 0.833 2.017 0.087 0.742

1.919 0.808 1.013 1.796 0.978 2.065 1 1.380 13.42 1.605

0.9729 0.9794 0.9885

1,4580 1,4926

Low

92.25 92.38 92.27 92.06

Low

96.12 96.13 96.01 95.85

Low

94.90 94.20 93.71

95.32 94.71 94,32

Est vol Open int.

Est vol Open Int.

188,895 420,598 248,544 430,297 297,122 381,843

25,272 11,086 6,379

0.17

3,506 929 1,637

0.17

Est. vol 22,953 784 26

2.931 1.541 1.760 0.903 1.461 0.063 0.537

May 0		Closing mid-point	Change on day	Bid/offer spread	Degra	ides	One pto	SEPA.	Three me	MPA.	One y		Bank of Eng. Index
Europe	_	THE PERSON	4.44	opares.	1001	- NA		766.65			1,-0		
Austria	(Schi	17,4406	_0.0700	339 - 472	17.5161	47 4050	17 4440	0.9	17.4312	0.2		_	113.8
Balaium	(BFr)	61,0418		258 - 576			51,0368		81,0568		50.8668	0.3	
Denmerk	(DK)	9,7050		996 - 103		9.6870	9.7127		9,7208		9.7382		115.0
Finland	6340	8,0805		817 - 883		2.0340	4/12/	-0,0	#,1440	-4.1	4.1.002	-0.0	82.0
France	(Fin	8.4996		969 - 032		8.4820	8.5054		8.511	-0.5	8,475	0.3	
	DM	2.4801							8311	-0.3	2.458		123.5
Germany				791 - 910		2.4740	2,4808	-03		-	2.400	u.s	120.0
Greece	(0)	365,238		801 - 871		364.563							
Ireland	95	1.0241		233 - 248		1.0221	1.0248		1.028	-0.7	1,028		103.4
italy	4	2377.70		844 - 896		2372.36			2393.85		2425.25		78.5
Linembourg	(LFr)	81.0416		258 - 578		50.9804			51.0968		50.6668		115.2
Netherlands	(7)	2.7637		827 - 847		27787	2.7833		2.783	0.1	2.7601		118.8
Norway	(NK)	10.7505		572 - 638		10.7357	10.7549				10,7556	0.0	85.1
Portugal	(Es)	256.583		315 - 850		254,641							
Spein	(Pa)	203.921		849 - 992		203,492				-29	209.198		85.0
Sweden	(SKr)	11,5016		940 - 001		11.4356			11.5536		11.8426		77.2
Switzerland	(SFr)	21164	+0.0032	164 - 173	2,1189	21074	21145	1.0	2,1099	1.2	2,0764	1.5	117,3
UK	₽.	-	-	-	-		-	-	-	-		•	79.4
Ecu	_	1.2869	-0.064	864 - 874	1.2891	1.2852	1.2676	-0.7	1,2682	-0.4	1.2841	0.2	-
SDR†	-	0.245352		•				-	-	-		-	-
Americas													
	(Pasc)	1.4931		927 - 934		1.4860	-	-	-	-	-	-	-
Brazil	(Cr)	2147.AB		706 - 783		2103.00							
Carrecia	(C2	2.0650		642 - 657		2.0535	2.0871	-1.2	2.072	-1.3	2.0947	-1.4	86.9
Medica (New		4.9815		732 - 896		4.9651				_ :			
USA	_ (2)	1,4960	+0,004	957 - 982	1.4975	1.4888	1.495	8.0	1,4944	0.4	1.4939	0.1	85.2
Pacific/Middle													
Australia	(AS)	2.0762		751 - 772		2.0748	2.0747		2,0723	0.7	2,0704		-
Hong Kong	(HKS)	11,5600		573 - 628		11,5050	11,547	1.3	11.5415	0.6	11.4925	0,6	_
India	(76)	48.9242 153.896		089 - 385	48,9650		100 040	3.0			440 444		167.7
Japan	M	3.9067		833 - 969		152,490	153.516	2.0	152,788	2.9	149,111	3.1	167.7
Malaysia New Zaeland	(MS)	2.5821		045 - 088 801 - 841		3.8900 2.5758	2,585	-1,3	2.5893	-1.1	2.5979	-0.6	-
	(NZS)	40.6899		587 - 211			2.000	-1,23	23683	-1.1	23010	-0.0	_
	(Page)												
Soud Arabia	(SF)	5.6102 2.3184		178 - 191		5.5838 2.3085	-	_	-	-	-	-	_
Singapore	(55)	6.3981		257 - 005		5.3269		_	-	- :		_	_
S Airice (Com.)		7.1058		896 - 216		6.9373			•	•	_		-
2 Affice (Fin.)	(7)	1207.68			1208.63				-	:		•	_
South Kores Taiwen	(Wan)	39.8447		718 - 816 305 - 588	38,8598			-	-	-	•	-	_
	(13)									-	•	-	-
Theilend	EAN.	37,6990	40.107	787 - 192	37.7243	37.5230		_		-	-	-	

May 9		Closing	Change	Bid/citier		mid	One mo		Tires p		One y		J.P Morg
		nid-point	on day	spreed	high	low	Rate	XPA	Rate	%PA	Pate	XPA	Index
Europe													
Austria.	(CC)	11.6685		560 - 610		11.6425	11.667				11.6688	0.0	
Belgium	(BFr)	34,1200	-0,188	150 - 250	34,2440	34,0950	34,155	-1.2	34,19		34,155	-01	104.5
Dermerk	(DKI)	6.4875	-0,0368	850 - 900	8.5135	8.479B	8.4967	-1.7	6.505		8,4965	-0.1	103.7
Finlend	(FM)	5.3662	-0.0186	632 - 932	5,4004	5.3820	5,3922	-09	5.3992	-08	5,4094	-04	76.7
Tence	(FTY)	5.6817	-0.0306	802 - 832	5.7040	5.6727	5.6892	-1.6	5.6854	-1.0	5.6737	0.1	104.0
SMITTHERTY	01	1.8579	-0.0082	575 - 582	1.6660	1.8555	1.8505	-1.1	1.6803	-0.8	1,8504	0.5	104,7
Greece	Ori	244.150	-0.7	900 - 400	245,800	244,200	247.9	-184	255,275	-16.2	284.15	-18.4	70.1
retand	(20)	1,4600	+0.0072	600 - 517	1.4628	1.4538	1.4583	21	1.4545	1.8	1.4464	1.0	-
taly	a	1589.43	-10.92	885 - 000	1597.55	1587.67	1594.78	-40	1601.83	~3.1	1823.43	-21	78.9
uxembourd	(LFri	34,1200		150 - 250	34 2440	34.0950	34,155	-1.2	34.19	~0.8	34,165	-01	104.5
Vetherlands	F	1,8609		605 - 612		1,8592	1.8824	-0.9	1,8824	-0.3	1.8478		103.9
Vorway	NKA	7.1931		921 - 941		7.1826	7.1978	-0.6	7.1996		7.1806		95.0
Portugal	(Ea)	170.850		700 - 400		170,700	172.085	-87	174.05		179.05		93.2
Spain	(Pts)	136.315		290 - 340		136,150	138,785	-40	137,44		139.365	-22	80.0
weden	SKI	7.8885		847 - 922		7,8593	7.7075	-30	7.7315	~22	7.7935	-14	
witzerland	(SFn)	1.4147		143 - 151	1.4176		1.4144	0.9	1.4119	0.8	1.3012	1.7	103.5
K		1,4980		957 - 962	1.4975		1.495		1,4944		1,4939	0.1	
Sou	2	1.1625							1,18		1,1818		
	-		+0,0067	622 - 627	1.1630	1.1570	1.161	1.5	1,10	4.5	1, 1010	W. I	
TROS	-	1.41349	-	-	-	_	-	•	-	•	•	•	-
Imericae													
	Pasc	0.9981		980 - 981	0.8981		-	-	-	-	-	-	-
razii	(0)	1435.51		550 - 552		1435.50						. :	
Carade	(C2)	1.3804		801 - 605	1.3815		1.3827		1.3863		1.4022		83,2
Aendoo (New)	Peac)	3.3300	+0.02	250 - 350	3.3350	3.2500	3.331	-0.4	3.3326	-0.3	3.3402	-0.3	-
ASA	(3)	-	-	•	-		•	•	•	-		-	99.5
actife/Middle	Ecot/A	∆-lee											
Lestralla	(AS)	1.3878	-0.0105	873 - 883	1,3998	1.3873	1.389	-1.1	1.3837	-1.7	1,4043	-1.2	86.8
long Kong	CON	7.7275	+0.0008	270 - 280	7.7280	7.7270	7.7305	-0.5	7,7365	-0.5	7.7612	-0.4	
ncile	OH	31.3675	-0.0025	625 - 725	31,3775	31,3625	31,4325	-25	31,5875	~2.6			
apao	Š	102.875		850 - 900		102,360	102.67	24	102.22	2.5	89.73	3.1	148.7
Asiayria	8453	2.8115	. —	105 - 125		28105	2.6045	32	2.589	3.4	2.8515	~1.8	
	NZS	1.7261		250 - 271		1.7247	1.7274	-0.0	1,7319	-13	1.7538	-1.8	
	Posci	27,2000		500 - 500		27.0500	1.7214	-44.5	1.10.2	-1-	107 4040	-130	
aud Arabia	(SPI)	3.7503		501 - 504		3.7502	3.751	-02	3,7533	-03	3.7649	-04	
		1.5498			1.5553		1,5491		1.5486	0.3	1.5472	0.2	-
Ingepore	(34)			495 - 500				0.5					-
Africa (Cont.)	63	3.8085		075 - 095		3.5715	3.825	-6.8	3.651	-4.7	3.744	-3.8	
Africa (Fin.)	(79)	4,7500		400 - 800	4.7900		4,784	-8.8	4.844	-7.9			-
	Won)	807,300	_	100 - 500		B07.100	810.3	-4.5	813.8	-32	832.3	~3.1	-
ahean	(12)	26.8350		300 - 400		26.6000	26,7005	-3.0	26,801	-2.5	-	-	-
heitand	(B0	25,2000	-0 MC	900 - 100	25 2100	25,1900	25.28	20	25,406	22	25,925	-20	

May 0	Ecu can.	Rate against Sou	Change on day	% +/- from	% spread v wastent	Div
						_
ireland	0.808628	0,796163	+0.001055	-1,54	4,86	10
Netherlands	2.19672	2.16660	-0.00147	-1,37	4.58	-
Beighan	40.2123	39.7206	-0.0313	-1.22	4.52	8
Germany	1,94964	1.82980	-0.00146	-1.03	4.32	
France	6.53883	6.61254	-0.00594	1.13	2.10	-0
Deramark	7.A3679	7.55262	-0.00276	1,56	1.66	-11
Spein	154.250	158.568	-0.232	2.80	0.43	-20
Portugal	192,864	199.115	+0.248	3.25	0.00	-22
NON ERM ME	BABERS					
Greece	264.513	284.362	+0.075	7.50	-3.96	-
Italy	1793.18	1850.48	-3.74	3.16	0.05	_
UK	0.786748	0.176496	+0.005319	-1.05	4.34	_
Perpensiça char ratio betimen bi for a cumancy, a Ecu central rate.	nges are for Eco no appreciate the not the measure	n parmind par	centage deviato rence between	ure in descending result continety. D the actual meria on of the current ment calculated to	py's market rate	ing the train rate from it
		& OFTIORS				
Strike Price	May	- CALLS	Jul		Jun	Jul

C	- I PHILADELPHI	A SE 2/3 OF	TIONS IS	,250 (cent	s per pound	9		
Open Int. 60.985	Strike		U.5			· PUTS —		
3,572	Price	May J	kın	Jul	May	Jun	Jul	
856	1.425	6.91 6	192	5.92	-	0.04	0.04	
		4.42 4	.65	4.85	-	0.27	0.27	
		2.08 2	.71	271	0.06	0.81	0.81	
				1,34	0.67	1.89	1.89	
47.000	1.525			0.55	2.92	3.53	3.53	
46,819	1.550			0,17	5.38	5.84	5.64	
37	Previous day's vol., Co	4 18,146 Puts	8,117 . Prev.	qey's ober	Int., Calle 488	L985 Puns 41	4,863	
	UK INTER	ST RAT	ES					
4	LONDON M	ONEY R	ATES					
Open Int. 195270	May 9	Over- right	7 days	One month	Three months	Sbx months	One	
183644	Interbenk Starting	516 - 312	51g - 41g	54 - 8	57 - 57	512 . 518	0½ · 5½	

-	UK INTERES	T RAT	ES				
	LONDON MO	NEY RA	TES				
pen Int. 195270	May 9	Over- night	7 days notice	One	Three months	Six	One
83644 177471 193550 of 100%	Interbenk Sterling Sterling CDs Treasury Sills Bank Bills	516 - 312	54 - 44	54 - 8 54 - 5 43 - 41 43 - 41	5차 - 5차 5차 - 6차 4월 - 4명 4월 - 4명	512 · 514 514 · 514	6点 · 5数 5强 - 5数
pen int. 43592	Local authority deps. Discount Market Deps	44-44	4语 - 4报 5 - 47	54 - 5	5.4 - 5.4	54 - 54	84 - 50
30102 35018 12061	UK clearing bank bank	lending reb	Up to 1	1-3 month	3-6 months	6-9 months	8-12 months
4001/							
100% pen int. 21505 10914 5180 883	Certs of Tax dep. (210 Certs of Tax dep. under Ans. tender rate of deco- 1934. Agreed rate for per period Apr 1, 1994 to Apr May 1, 1994	2100,000 to 1 ant 4.8088pc. fod May 25, 1	294 to Jun J	mate 68g, Eq. 5, 1984, Sch	ort Finance.	Make up day	ance one to
pen int. 21505 10914 5180 883	Cents of Tax dep, under Are, tender rate of decor 1634, Agreed rate for per period Apr 1, 1694 to Apr	2100,000 is 11 ant 6,0008pc. feel May 25, 1 28, 1894, Sc	bjoc. Deposit EOSO fixed 1994 to Jun 1 dremes IV 4	rete 68g. E.ç 15, 1994, Sch V 5.286pc. Fi	for each App oot Finance. arms 6 8 8 (nance House	Make up day 1.56pc, Peter Bese Pete 5	April 29, ance rate to lape from
pen int. 21505 10914 5180 883	Certe of Tax dep. under: Ans. tember rate of decor 1924. Agreed rate for per period Apr 1, 1994 to Apr May 1, 1994	2100,000 is 11 ant 6,0008pc. feel May 25, 1 28, 1894, Sc	Porce Deposit ECGO Read 1994 to Jun 1 Stemes IV 4	rete 68g. E.ç 15, 1994, Sch V 5.286pc. Fi	for each App oot Finance. arms 6 8 8 (nance House	Make up day 1.56pc, Peter Bese Pete 5	April 29, ance rate to lape from

E SHORT	STERLING O	PTIONS (UF	FE) £500,000	points of 1	00%	
Strike		- CALLS -			- PUTS -	
Price	Jun	Sep	Dec	Jun	Sep	Dec
9450	0.12	0.13	0.08	0.06	0.48	0.92
9475	0.03	0.06	0.06	0.22	0.58	1.13
9500	0.01	0.03	0.02	0.45	0.80	1.35

BAS	E LENDING RATE
*	

Adem's Company	Duncan Lawie	*Rouburghe Cultrantee Corporation Limited is no longer authorised as a banking institution. As a banking institution. Signature of the second
Criticanik NA	Lloyds Bank	Members of British Marchant Banking & Securities Houses Association In administration

Money Market Trust Funds

Money Market Bank Accounts

4.75 3.7625 4.25 Men 5.00 3.73 8.12 98

4.00 4.00

The least new 175 (1999 125 189 225 3.30 2.30

Ren Brothern Limited, Engineer
Adversen's Welt, Lendon EColl 200
Perhamanit Chat Romet, 4.75
Theodorate (100s Assoc)
13,001
13,001
14,002
15,001
15,001
15,001
15,001
15,001
15,001
15,001 DLC Treat Limited throdor Wago & Co Ltd 3125 234 3.16 MM 000 3375 253 3.41 MM

Licycle Bank -- Investment Av 71 Lumbart St. Landon SCOT 306

NOTICE OF PREPAYMENT

Sakura Finance Australia Limited (formerly: Musui Taiyo Kobe Australia Limited)

US\$ 50,000,000 Guaranteed Floating/Fixed Rate Notes due 2000 Unconditionally and irrevocably guaranteed by The Sakura Bank Limited

In accordance with peragraph 6 entitled Redemption and Purchase of the Terms and Conditions of the Notes, notice is hereby given that the Issuer will redeem, on May 31, 1994, the total amount remaining outstanding of the above-mentioned Notes at 100% of their principal amount fi.e. US\$ 50,000,000).

Payment of interest due on May 31, 1994 and repayment of principal will be made in accordance with the Terms and Conditions

interest will cease to accrue on the Notes as from May 31, 1994.

Luxernbourg, May 10, 1894

CNS FutureView



The Property Finance Sourcebook 1994 The ultimate Property Finance Directory showing exactly who is leading wan property today. Complete with leading criteria and contacts. Absolut

ble for anyone interested in UK property. Call 071 495 1720.

O 130+ software applications O
O RT DATA FROM \$10 A DAY O
O Signal SOFTWARE GUIDE O Signal SOFTWARE GUIDE O for your guide and Signal price list.

COMPANY AWARD BADGES



Stick Pins - Cuff Links - Key Rings and logo for a FREE DESIGN Tie Clips - Enamel Badges mureey Manhattan-Windsor

Steward St., Birmingham B18 7AF, England. Fax: 021-454 149? Contractors to H.M. Government

Australia Limitel

		WORLD S	TOCK MAR	KETS
	MCTHERLANDS (May 9 / Fig.) Rehally 12.10	+/- Maps. Later 11d P/E 0 -500 12,040 11,500 6.4 — Kraskau 0 -500 12,040 11,500 6.4 — Kraskau 0 -60 2,700 1,500 2.2 — Krysk 0 -80 2,500 1,600 2.2 — Krysk 0 -50 1,665 773 — Aurosa -6 2,27 150 — Kraskau 1 -6 2,27 150 — Kraskau	### ### ### ### ### ### ### ### ### ##	+/- High Law YM YME 934 -6 1,046 840 1,180 -10 1,290 1,140 1 1,290 1,140 1 1,290 1,129 1 1,290 1,129 1 1,290 - 1,129 1 1,290 - 1,129 1 1,290 - 1 1,129 - 1 1,129 - 1 1,129 - 1 1,129 - 1 1,129 - 1 1,129 - 1 1,129 - 1
CruSP 640 -15 634 638 1.8 CruSP CruSP 640 -15 634 638 1.8 CruSP CruS	Boskin's 39,00 - 50 472 38,50 Scharft 1,750 - Scharft 1		1,090 -10 1,160 1,010 Stwen	\$34 -51,040 80 - 1,140 - 1,180 - 1,180 - 1,128 - 1,180 1,128 - 1,180 1,128 - 1,180 1,128 - 1,180 1,128 - 1,180 1,128 - 1,180 1,128 - 1,180 1,128 - 1,180 1,128 - 1,180 1
ColdP 196 -3 202 154 8.7	Height 141,50 -1.50 175 0 123 -2 28/18 1,22 Height 205.61 -1.34,23 19.77 1.5 -2 18.49 19.77 1.5 -2 19.49 19.77 1.5 -2 19.49 19.77 1.5 -2 19.49 19.77 1.5 -2 19.49 19.78 1.5 -2 19.49 19.78 1.5 -2 19.78 1.5 1.5 -2 19.78 1.5 1.5 -2 19.78 1.5 1.5 -2 19.78 1.5 1	1,425 1,200	1.860 - 10 1.800 1.700 - Sumfall 1.850 - 10 1.800 1.700 - Sumfall 1.150 - 10 1.800 1.500 - Sumfall 1.150 - 10 1.800 1.500 - Sumfall 1.150 - 10 1.200 1.000 1	# 254 -8, 568 522
Cobeps 5,910bst 100 6,200 5,616 3.9 UNIT 155.16 -90 (23.5) 155.00 2.0 Cold 106 -3 (20.5) 154 8.7 USA 155.16 -90 (23.5) 155.00 2.0 Cold 106 -3 (20.5) 154 8.7 USA 155.16 -90 (23.5) 155.00 2.0 Cold 106 -3 (20.5) 154 8.7 USA 155.16 -90 (23.5) 155.00 2.0 Cold 106 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.	Description Control Description Desc		1250 -00 1,000 1,000 1,7	1,180
M(TA/S 271 -8 395 284 3.7 Frenat 351.50 -4.80 367.80 294.20 2.0	Elivier 2,685 3,290 2,485 3.0 Elivier 1,630 Elivier	-10 1,900 1,720 - Mahru	710 -14 515 680 - Victor 704 +0 788 828 - Warpel	1,350 +90.1,600 855
Marie Society 10 Marie	Uniform 641 -0 738 678 7.2 965sk 1,290 Uniform 1,850 -60 2,490 1,415 9 -605ftat 53 Uniform 1,850 -60 2,490 1,415 9 -605ftat 53 Uniform 1,950 -60 2,490 -1,05 5.7 967cm 1,950 1	-1 666 508 MoSt	1380 +20 2:90 1,850 0.8	1 822 -1 854 323 - 1 1 899 +10 1,100 821 - 1 822 +1 723 442 1 820 -5 826 486 1 21A (May 9 / Aust5) 270 -26 5.95 3.70 0.8 - 3 244 -94 11.12 8.10 8.3 348 4.30 +18 6.16 3.2 32.4 4.30 +18 6.16 3.2 32.4 4.30 +18 6.16 3.2 32.4 4.30 -4.30 +10 1.10 0.10 1.3 2.6.4 2.85 -10 11.00 0.10 1.3 2.6.4 2.85 -10 11.00 0.10 1.3 2.6.4 2.85 -10 1.0 1.0 0.10 1.3 2.85 2.85 -10 1.0 1.0 1.0 1.3 2.85 2.85 2.85 -10 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1
95N 648 1,002 690 2.3 1		-15 700 851 Natural 1 -15 700 851 Natural 1 -15 700 851 Natural 1 -15 700 1501 1500 Natural 1 -15 700 1501 1500 Natural 1 -15 700 1500 1500 Natural 1	1,190	051 MS 0 MS 0 MS 123 1 MS 0 MS 124 1 MS 0 MS 0 MS 125 1 MS 0 MS 125 1 MS 12
Cabling 180.50 +80 213.20 [61 0 -	\$\frac{85}{81} \frac{52}{22} = -50 \frac{72}{72} \frac{7}{20} = \frac{1}{12} \frac{1}{11} \frac{1}{18} \frac{1}{20} = 1 \frac{1}{18} \frac{1}{20} = 1 \frac{1}{18} \frac{1}{20} = \frac{1}{18} 1	-80 2 180 1 700 Shink	2.550 +10.3340 2.410 Dan N	286 -04 340 258 52 7.8 282 +09 139 255 1476 512 +02 1004 770 14245 130 -1421 370 317 -1 150 -1206 1112 43 135 140 -10 1000 177 23 24 145 -10 1000 177 23 24 145 -10 1000 177 23 24 147 +15 52 41 125 34 229 147 +05 525 450 455 -1 127 +11 245 136 127 +11 245 136 127 +11 245 136 127 +11 245 136 127 +11 245 136 127 +11 245 136 127 +11 245 136 127 +11 245 136 127 +11 25 52 53 4 128 +13 430 255 34 150 -06 585 506 43 1450 +05 525 450 62 18 15 147 115 74 150 +05 525 450 62 18 150 +07 107 13 500 62 69 152 +07 107 13 500 62 60 152 +07 107 13 500 62 60 152 +07 107 107 107 107 107 107 107 107 107 1
INDICES	Hily May May			994 Since completion
9 0 5 Ngh Low Argentian General (29/12/77) 64 19031 28 19572 51 25470 AU 16/2 17735.90 20/4 Australia All Ordinact(1/1/80) 2008.3 2004.3 1968.1 23/6.80 3/2 1988.10 5/5 All Maninot(1/80) 931.3 913.4 804.6 7136.10 3/2 904.80 5/5	9 0 5 His PC (Nov 1970) (a) 2178.70 (c) 2881.17 8 Notherland CSS T#Nofercted 83) 431.2 434.2 439.0 454.90 3 CSS Al Shr (Shd 88) 276.8 279.1 277.8 284.80 3	2 1997-33 2014 Industrials IA 417-80 54 Hore Boxton	©V	8 8683.35 3878.36 41.22 11 (4/4) 517/199 227/32] 1 97.53 189.77 54.98 1) (6/5) (18/10/55) (1/10/51)
All Malming(1/1/80) 951.3 913.4 904.5 1136.10 3/2 904.80 5/5 Ametria 951.3 913.4 904.5 1136.10 3/2 904.80 5/5 Tracked Index(2/1/61) 1053.86 1076.21 1084.0 1222.25 1/2 1093.86 9/5 Bedgium 1520.67 1/91] 1529.42 1526.89 1533.95 1542.65 9/2 1462.75 3/3	Nove Zealand Cap. 40 (1/7/80) 2043.40 2043.41 2012.82 2498.64 3 Moreary 1097.65 1102.52 1211.10 2 Philippines	V2 1472.67 3/1 DJ Incl. De Day'e high	(25) 168,83 192,79 194,90 227,8 (21) (31) (4) high 3792,51 (2731,97 1 Low 3825,77 (34) 3696,37 (37)2,82) Low 3641,85 (369),50)	2004, C2294, 87752, 8 185.83 255.45 10.50 1) (6/3) (518/93) (6/4/52) 176.45) (Theoretics/4)
Brazil Brownpa (29/12/63) 44 15103.0 14479.0 17257.00 25 3000.90 3/1 Canada Motis Micris + (1975) 40 3541.02 3520.36 3679.99 18/3 3298.06 20/4	Marcia Comp (2/1/85) 41 2960.25 2960.20 2908.27 4 Portugui BTA (1977) 2941.4 2968.4 2012.1 3225.50 11 Singapore SES All-Store(24475) 598.02 598.01 588.98 441.61 4	2019.20 3/1 Industrial®	522.90 525.07 525.61 100.0 5 227	0 644 0204 (1862) 8 510.05 86089 2.82 0 21/4 02090 01/883
Composite 1975 60 4254.10 4258.81 4608.90 23/3 4108.90 20/4 Portation 55 (47.4K3) 64 1867.09 1973.56 2182.68 1/2 18913.37 18/4 Chilin PRG Gan (31/1260) 60 4120.1 4168.5 4667.89 4/2 2801.20 4/4 Demonstrit	South Africa SE And (299/78) 18/207 18/20 16/30 2331.00 4 JEE And (299/78) 8609.07 65/4.0 63/40 6608.00 9 South Karea	1749.08 14/2 HYSE Comp.	43.59 43.73 43.71 43.5 (\$1.71 250.49 250.75 261.7 (\$7.72 450.78 441.70 441.79 447.8	1 (44) (28/953) (1/10/74) 1 203.14 267.71 4.46 1 (44) (2/2/94) (25/442)
CopenhagenSE(3/1/85) 375.44 377.18 377.04 416.79 2/2 370.74 3/1 Flatand 160x General(28/12/90) 1808.2 1809.5 1807.7 1507.200 4/2 1801.10 3/1 Rrance	November BASCIALI CHI	ÇEST	705.51 BES.83 54.87	
SSF 250 (\$1/1290) 1422.97 1434.83 1438.25 1585.28 2/2 1482.99 2/4 CAC 40(\$1/1287) 2139.42 2159.22 2162.62 2865.53 2/2 2081.94 31/3 Sentanny FXZ Adapt(\$1/12/50) 838.67 848.80 848.83 858.72 2/5 778.33 2/3	Allasprantingen (1/2/37) 1488.9 1508.6 1523.90 1609.00 3 Suttaintund Suita Rk Ind (51/12/58) 1238.75 1275.04 1238.92 1429.94 3: SBC Benteral (1/4/67) 917.53 941.12 952.01 1688.29 3:	71 1255.75 95 Dow Jone 71 917.55 95	s Ind. Div. Yield 2,77 2,71 May 4 Apr	27 Apr 20 Year ago
Commezbark(1/12/53) 24(65.0 2433.6 2430.6 2465.60 26 2221.20 23 DAX (30/12/57)‡ 2218.85 2237.02 2235.84 2288.65 25 2282.33 23 Ereone Athens SE(31/12/80) 962.05 960.92 967.17 1194.56 18/1 854.39 12/4	Tabus: Weighted Pt. (50% 175) 5696.80 5853.27 5916.77 6464.52 6/7 The Florid Beoglesk SET (50475) 1222.72 1240.71 (c) 1753.73 44	1 5194.83 19/3 S&Pind ■ STANT	L Civ. yield 2.48 2.48 L PYE ratio 23.99 23.9 DARD AND POORS Soo BNDEX FUT Open Latest Change High	4 23.24 26.22
None	Turkey Internal Copt, lim 1989; 16504.0 17138.9 15800.6 28883.80 13 WORLD MS Copied for (1/1/1785 608.9" 610.4 609.4 841.56 1/	Dec	445.25 445.25 -1.35 446.25 445.80 447.80 -2.15 447.80 - 450.10 - 3.15 447.80	444,70 84,785 195,440 446,80 1,923 11,608 450,10 227 7,027
Indowenia Jakaria Comp.(197672) 464.28 463.12 462.56 672.49 5/1 454.32 2644 Instand ISEO Overany,(1485) 1808.28 1816.49 1824.36 2002.16 20/1 1807.05 5/4	CROSS-BORDER Eurolimich (100/05/10/20) 1457/30 1450/35 1449/10 1540/15 37 Eurolimich (100/05/10/20) 1457/30 1450/35 1449/10 1540/15 37 Eurolimich (100/05/20) 1427/4 1254/37 1351/01 2/ ZippelDysen (21/12/86) tol 147/10 148/25 182/25 182/25 48	2 1202.49 27 Hiday	Stacks Class Change • Value	DISSON ACTIVITY In (Intilice) May 8 May 5 May 4
Easy Burea Coron Int (1972) 806.37 800.94 774.04 813.63 27M 986.85 1071 MB General M/1/94) 1289.0 1282.0 12/9.0 12/12.0 27/4 944.00 1071 1090.00	EL CAC-40 STOCK MIDNEX PUTURGES (MATE) Open Sett Price Change High Low	Est. vol. Open art. Chyeter West Box Syntax SW Arthres	4,291,000 46 +¼ New York 1,983,700 12% -% Armex 3,887,200 27% +% MASSAO 3,840,900 27% -4% MYSE	SE 289,500 265,685 267,941 17,902 14,141 15,221 249,512 275,373 278,824
Notes 225 (16/549) 19765.96 19662.47 (c) 20077.77 16/3 17369.74 4/1 Notes 200 (1/10/62) 294.94 295.60 (c) 304.25 1/3 286.22 4/1 Notes (4/1/68) 1610.84 1615.69 (d) 1863.27 16/3 1445.97 4/1 Notes (4/1/68) 2290.91 2283.91 (d) 2293.91 6/5 1873.33 4/1 Malanaka	May 2135.0 2135.0 -15.0 2140.0 2120. Jun 2114.5 2117.5 -15.0 2122.0 2103. Jul 2111.5 2114.5 -15.0 2111.5 2111. Open resear figures for previous day.	5 17,764 21,710 RJR Nations 5 1,027 30,813 Ford Notes 6 1 220 Telephons High Rehab	3,177,700 5% issues Tr 3,154,700 596 -4 Rises 3,105,700 59% -4 Falls 2,822,800 14% - Uncreases 2,477,600 44% - New High	545 1,020 913 1,696 1,080 1,186 d 543 673 681 s 11 34 35
Minippile NUSE Comp.(44486) 950.63 1811.57 1007.01 1314.46 5/1 428.33 4/4 "Set May 7: Taiwan Weighted Price 6681.75; Kassa Comp Er 096.41. Base values of all indic Minorg - 800; Austra Traded, BEL20, HEX Gan., MS Gan., SBF250, CAC40, Euro Yop-1 Minerals and DAX - all 1,000; JSE Gold - 286.7; JSE 28 Industries - 264.2; NYSE All Coom Minerals and DAX - all 1,000; JSE Gold - 286.7; JSE 28 Industries - 264.2; NYSE All Coom	pon - 50 and Standard and Poor's - 10. 65 stock; whereas	Gen Michael Gelaudeted (#15.00 GMT. Excluding to page theoretical devia highes and laws are	2412,300 54% -% New Low conds. I Industrial, plus Utilities, Financial are the averages of the highest and lowest pric by Telehung represent the highest and lowest by Telehung represent the highest and lowest	128 62 52 di Transportation.
If this pag	e gets your hea	rt racing,	-	

| Water | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 |

To conquer the EC information mountain, you need an expert guide.

Get the information advantage by reading the Financial Times every day. We cover the latest European. US and International news and analyse the implications from a truly European perspective to help you understand what it means for you and your business.

It is no surprise then that the Financial Times is read by more top business executives in Europe than any other publication.* Make sure you are one of them by getting your own copy of the FT delivered daily to your home or office.

To order simply complete the establed gauges.

To order simply complete the attached coupon and return it to: Gillian Hart. Financial Times (Europe) GmbH. Nibelungenplatz 3, 60318 Frankfurt/Main, Germany. Tel. +49 69 156 850. Or better still fax your order back to us on +49 69 596 4483 and enjoy the first 12 issues of the subscription completely free.

FI

To: Giffran Tel. + 49 69							uğcubi	ale 5, 1	A.O., VIII.		KI LITTI INS	aig, German
YES, I would before deliv												w up to 21 day
Belgium I Denmark		0	France Germa Italy Luxern	~	FFR 2,04 DM 7; LIT 600,04 LFR 13,54	0 Norv	ray igal i	DFL. NOK 3, ESC 60, PTS 63.	220 010		rden izerland	SEK 3,22 SFR 71
For subscrip				-			cı +32 ;	2 513 2	10.			
☐ Bill			y Amer Visa A		xpress/Din	ers Club/	E	spiry Do	ne _			
		T	1			TT		T_T	Т	Т	П	
going to pr DE1142201 To subscrib Tel 3245171	ess. Price 22. e to the F 1, Fax 32 sick here k	T in N	escha forth A 12.	ire of	VAT in a	H EC coun	ries e 17524	терт G 5 99. Fac	2082	ny and	f Franc	e FT AT No
going to pr DE1142201* To subscrib Tel 3295171	ess. Price 22. e to the F 1, Fax 32 sick here for try not liste	T in N 198171 w mary d oppo	escha iorth A 2.	ire of	VAT in a contact N	H EC count	iries es	See, Fac	3082	ny and 397. F	i Franciar East	e FT LAT N
going to pr DE1142201 To subscrib Tel 3245171	ess. Price 2. e to the F 1, Fax 37 sick here for my not liste	T in N 198171 or more	escher iorth A Z esforma	ire of	VAT in a n contact N ut 6 and 24 n	H EC coun ew York To	i 7524:	Sept G	3082	997. F	or East	e FT LAT N
going to pi DE1142301 To exhibite the 3295171 There is come selected specific	ess. Price 2. e to the F 1, Fex 33 tick here is try not liste	T in N 19517]	exclusionth A 12.	ire of	VAT in a contact N	H EC count	i 7524:	Sept G	3082	997. F	or East	e FT LAT N
going to pr DE1142201 To subscrib Tel 3245171 Please com Please specif	ess. Price 2. e to the F 1, Fex 33 tick here is try not liste	T in N 19517]	exclusionth A 12.	ire of	VAT in a contact N	H EC coun ew York To	i 7524:	Sept G	3082	997. F	or East	e FT LAT N
going to pr DE1142201 To subscrib Tel 3245171 Please com Please specif	ess. Price 2. e to the F 1, Fex 33 sick here for your liste 31 sick leve for your liste 41	T in N 198171 or more d oppo	exclusion A. I.Z.	ire of	VAT in a contact N	H EC coun ew York To	i 7524:	Sept G	3082	997. F	or East	e FT LAT N

大小小小小小 人名英格兰人名英格兰 人名 人名英格特 大學之外

1884
High Law Stock
12 9-12 CHM
6-15 55 CR LLC for
24-11-15 Comptonia
41-7 20 Creation
12-15 1-15 Comptonia
11-15 20 Creation
12-15 1-15 Common
12-15 Common

· はなからなる かれな かんかんしょ

| Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Tabl

为 经保险的 我有看我 与 我的话我是我的人的人 444

1804 Law Stank
1874 Z 74 Bearings
28 54 Seatment in x
40% 34% 60cm0
7% 55 SeatSY
50 Seat

中山上山市 中山下山山 山山山山山 山山

中午 中午中午中午午午

| The color of the 上午本村 有好的日本人 经有时间的人的过去式和过去分词 医克洛克斯氏管外外外 化二

- C -

4.9 31- FM Immar
105-11-12-13- FM Immar
105-11-14- FM Immar
105-11-14- FM Immar
105-11-14- FM Immar
105-11-14- FM Immar
105-11-13- FM Immar
105-11

在中央中的社会中的主义的,并是是一种的人的, 一种 一种的的人的 医克勒特氏病 医克勒特氏病 医克勒特氏病

はなるなる なな

古古代古诗 我有有法 日梅古 有古古古代

45% 88% J Flore PF 48 38% J Flore 1. 1472 8% Justice St 57% 198% Justice St 12 Justice St 147, 0 % Justice St 15% Justice St 15% Justice St 20, 15% Justice St 20, 15% Justice St

29 21 4, RLM R Dight
25-52 21 4, RLM R Dight
25-52 21 4, RM Energy
68 62-52 Annu C A.S. w
26-52 24-54, Kansak P P x
26-53 24-54, Kansak P P x
21-43 26-54, Kansak S n
10-55 65-64, Kansak S n
10-56-55, Kansak S n
10-56-56, Kansak S n
10-56-56, Kansak S n
10-57-58, Kansak S n
10-57-58

25-5 11-1₃ 15-1₃ 18-1₄ 28-1₈ 16-1₃ 15-3₄ 6-1₅ 9-1₈

马格 化 水体 计编码设计计划分记录设计计 水流的 化 经特别股份 电路电路电路 化设计设计设计设计 化 我 有情報 日本者 有 人名英格兰斯西西西西南部城市 看着 化生物性素 本 於 有者者者 化香酸

の できない から から これからからなる

大きのようのはなる あちもう

有公司者 有有情 有者 有有情味者 人 的复数数的复数形式的有种种的

有二十五日 在中国大学 人 中山南北南 有二十五十五十五十五十五十五十五十五十五十五 33 Prefer No. 53 ---the statestatest total المنافق المراوية الما تبلط الماء الماء \$\$4 444444 TT 4484 111547

0 512 RJR Nb
274, 21% RJ Nb
274, 21% RJ Comp
15 82, 21% RJ COTshum
14 32 RS Radior
164, 132 Radior
164, 143 Reycher
164, 164 Reycher
164, 165 Redistri
165, 165 Redistri
17 85 Redistr

的复数的复数形式 电影电子 计分类电影

4

となる かんかんかん

49 33 MSS Record 1
55% 55% NCT Comp
50% 55% Record 1
37% 25% Record 1
37% 25% Record 1
35% 44% Record 1
36% 25% All Models 1
36% 25% Record 1
37% Record 1
36% 25% Record 1
37% Recor

44444

ᄲ

1 有子子衛子 十五年前衛衛士

- P - Q -ANT TO SALAN STATEMENT OF STATE واد. باد - R -

A to be to

AMEX

BE OUR GUEST.

- B -

384, 344, BCE
57, 7 BET ARR
57, 7 BET ARR
57, 7 BET ARR
574, 234, Buller Fen
574, 234, Buller Fen
574, 234, Buller Fen
574, 234, Buller Fen
574, 234, Buller
574, Buller
5

When you stay with us in BRUSSELS
stay in touch - with your complimentary copy of the FINANCIAL TIMES

pm close May 9

· P · Q .

NYSE COMPOSITE PRICES

NASDAQ NATIONAL MARKET

4 pm close May 9

A subscription hand delivery is available in Athens.

We will deliver your daily copy of the FT to your home or to your office at no extra charge to you.

If you would like more information about subscribing please call our local importer,

Hellenic Distribution Agency, on (01) 991 9328 or fax your requirement to 01/99 36 043.

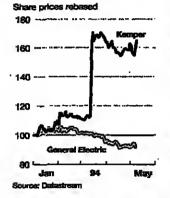
-	ABS Inds 0.20 20 8 14% 14% 14% 16% 12% 0.20 20 8 14% 10% 16% 16% 2.2% Accion 6 16 6278 15 14% 14% 14% 14% 14% 14% 14% 14% 14% 14%	Delcharges at 44 11 33 21 4 21 1g 21 1g	K Server 0.00 11 127 202 717, 217, 5-	Purtum 8 0 12 7 365 2112 2114 2114 -12 Pyramid 12 405 8 7 4 8 Dandrolog 12 26 7 14 7 7 15 +53 OusterChart 0.62 70 201 1614 1712 1715 -14
	Accions Cp 28 97 201 ₂ 220 20 Account Cp 15 1673 165 ₈ 15 ½ 15½ 1/4 ACC Tele 33 1889 42¼ 40½ 40¾ 11½ Addington 14 206 15½ 14¾ 14¾ 1-1½	Desta (AStron 0.18 18 32 15 15 15 15 15 15 15 1	Karcher C 0.08 34 477 1236 1173 1236	Qual Food a 0.20 18 368 222 212 22 - 06 Quantum 76 6357 173 165 1834 - 4 Qualdesty 20 120 141 173 145 145 Quickety 21 120 141 173 141 173 141 175 175 175 175 175 175 175 175 175 17
-1 1 +12	Adia Serv 0.18 21 52 36.05 35% 35% 35% Acobe Sys 0.20 20 8980 26 26 26 26 2 2 2 2 2 2 2 3 2 3 2 3 2 3	Del Tech 15 43 u19 16 19 +1	Kentucky 0.11 10 3 0 d6 6	-R-
+1	Adv Polym 7 148 5% 5% 5% 3% 3% Advanta 0.20 10 2023 38% 38 38 38 44 44 44 44 44 44 44 44 44 44 44 44 44	Dig Sound 8 1547 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		Rainbow 13 192 1434 1414 1414 17 Railys 7 3310 6 651, 513 13 Raisteiges 4 422 616 512 514 15
· · · · · · · · · · · · · · · · · · ·	Agency Re 21 617 125 1214 1212 +12 Agency Re 0.10127 1688 115 1114 1112 -12 Arthur 0.20 14 144 2114 2072 21	DNA Piert 2 2005 43, 43, 421. Dollar Sn 0.20 25 1228 264, 254, 254, 41, 10 Dorch Hzn 848 15 229 1312 13 1212 +4.	Kudicke S	Raymond 25 10 16 4 16 4 18 4 14 4 18 4 18 4 18 4 18 4
*******	Addus Co 38 2660 2012 27 2718 112 Abbid 2 0.88 17 532 2414 2412 2414 44 Allegh SW 18 272 878 858 958 14	Dray GO 0.24 1932827 2414 2214 2238 -558	Ladd Form 0.12 52 145 914 91 ₂ 9 +1 ₆ Lem Rech 34 4958 31 29 30 ³ 4 +1	Republish
444	Alen Org 0.52 12 2100 22 22 32 32 -2 Alen Ph 6 851 11 ¹ / ₂ 10 ¹ / ₈ 11 ¹ / ₈ 14 AleCape 1.00 12 215 14 ¹ / ₂ 13 ¹ / ₄ 14 AleCape 0.80 12 160 14 ¹ / ₂ 13 ¹ / ₄ 14 Alectas 0.22 46 73 44 35 37 45	Durinos 042 12 019 1614 1534 1534 12 Durinos 042 12 019 1614 1534 1534 12 Durinos 030 24 6u331g 3234 3234 Recented 11 304 1614 1714 1724	Landmidgin 42 2056 23 % 32 % 32 % - 5g Landplas 11 92 85g 914 812 + 3g	Recer Fot 0.56 10 28 35 ½ 34 ½ 35 4 ½ Receives 1.40 22 1710 56 ½ 61 ½ 67 ½ Redignal 0.12 14 33 6 ½ 61 ½ 6 ¼ Receives 0.56 4 600 18 % 18 ½ 18 ½ 18 ½
-1 -14	Albetto C 0.32 46 73 44 35 37 45 45 Albetto C 0.32 46 73 44 35 37 45 45 Albetto C 0.06 8 1111 14 16 15 15 3 3 4 Albetto C 0.58 8 52 224 22 224 Albetto C 0.58 8 52 224 22 224 Albetto C 0.58 8 52 224 22 224 Albetto C 0.58 8 52 224 52 52 54 55 55 55 55 55 55 55 55 55 55 55 55	- E -	Lattice 5 13 1651 1654 1512 1512 1512 1512 1512 1512 1512 15	Rosseveti 0.44 9 1018 47¼ 46½ 47% 4½ Ross Str 0.20 11 691 14% 14% 14% 4% Rosscridted 23 305 19¼ 19 19 19 18 Rosse 0.68 70 933 18½ 19 19 19 12
古山北京中山山北京山山	Arn Media 13 15 +52 Arn Media 13 1107 122 2012 22 +15s Arn Med B 13 1107 65s 64s 92s Arn Softwa 0.32163 284 524 32 315 -12 Arn France 33 63 1814 1814 1814 -1	Essel Cp 2 1038 45 44 412 55 44 6642 5 44 6642 5 46 6642 5 46 6642 5 46 6642 5 46 6642 5 46 6642 5 46 6642 5 46 6642 5 46 6642 5	Lections 15 311 124 1112 1214 + 52 Legent Cp 17 1665 7912 29 29 .12 Linguistic 0.78 13 283 274 42674 2614 1	RPM inc. 0.52 20 277 101 ₆ 171 ₂ 171 ₂ 171 ₂ 171 ₃ 171 ₄ 171 ₅ 17
444	America 0.50 15 6363 284 277 274 - 4 America 2.50 7 8 481 481 481 - 15 America 2.50 7 8 481 481 481 481 - 14 American 41 2730 221 2 21 2 221 4 - 14	Engineed 70 163 83 648 842 448 Branch 22530 LG 215 235 42 448 Bacthelia 0 238 94 64 92 44 Bacthelia 0.75 55 20 55 55 55	Litetine 21 27 45g 43g 43g Litetine 22 24 28 26 g 25 g 25 g 25 g Litetin 84 118 111 g 1111113 g 3g	- S - Saleco 1.96 7 879 54 53\2 53\8 -\4
**	Am Trae 0. 465 12 \ 12 \ 12 \ 12 \ 12 \ 12 \ 1 \ 12 \ 1 \ 1	Emon Ass 22 389 75 714 73 Emon Cp 27 1442 65 61	Linearrec x 0.24 38 3072 48 4 46 4 47 4	Sanderson x0.00 12 53 17½ 16∯ 16½ ¼ Schindigek x0.00 16 1198 23¾d22¼ 72½ 11¼ Schildet L 7 1976 20 29¼ 29% 15% 11% SCi Systim 11 575 14¾ 14¼ 14¼ 12
	Anologic 14 60 15 ¹ 4 15 ¹ 4 15 ¹ 2 + ¹ 4 Analysts 2 (40 13 8 17 18 18 AnongelAm 1.00 14 239 17 ¹ 4 17 17 ² 6 + ¹ 6 Another Cp 26 1365 37 36 36 - ¹ 2	Entri Ses 56 10 112 d112 112 Enzon me 2 1973 35 35 312 -12	LORESD 40 8647 63 5912 5918 -318 LTX Cp 2 751 212 251 234	Scios 7 1806 7 4 67 74 4 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
かれること	Andres An 0. 414 18 ¹ / ₂ 17 ¹ / ₄ 17 ¹ / ₄ -1 Anoger En < 0.30 25 27 12 ¹ / ₄ 11 ¹ / ₄ 11 ¹ / ₄ -1/ ₄ APP Bio 0. 565 7 ¹ / ₄ 87 ₆ 67 ₆ -1 ₈ Appid Mat 26 8323 45 ¹ / ₄ 42 ¹ / ₄ 42 ¹ / ₄ -1 ¹ / ₂	Emici 30 0½ 8¼ 8¾ Exans Sib 75 10 17 1812 18½ 14 Example 21 2783 17 2 1814 154 112 Example 13 142 10¼ 49½ 9¾ 12		Signite 1118963 25% 24% 25% 34% 25% 34% 25% 35% 25% 21% 25% 21% 25% 25% 25% 25% 25% 25% 25% 25% 25% 25
古上水子子子子子	Append: 0.48 2712701 3212 3014 3114 114 114 Appender 0.04 40 4234 1814 1514 1514 151 Arbor 0r 0.24 39 18 1712 1714 1714 17 Arbor 0.28 30 303 2712 2814 2814 14	Exidefiec 10 834 23 ¹ 4 23 ¹ 2 25 ¹ 2 - 1 ₂ 25 ¹ 2 - 1 ₂ 2554 21 10 18 359 18 ¹ 2 16 18 - 1 ₄ Exception 26 572 12 ¹ 4 d11 ¹ 2 12 - 1 ₃	MC Cars 006 1921205 22% 21% 22% 34 34 MS Cars 18 591 21% 228% 20% 35 55 Mac MB x 0.80 42 193 14% 013% 13% 3%	Sequent 64 1299 135 ₈ 131 ₄ 131 ₅ 53 Segulat 29 1662 41, 43 ₆ 41 ₆ -1 ₄ Serv Fech 13 43 91 ₄ 9 9 13 Servicat 23 233 445 ₆ 43 ₆ 47 ₇ -1 ₄
4444	Argoneux x 1.18 8 198 2614 2752 26 +14 Armer M 0.64 20 13 2012 1814 2012 +14 Armed in 0.48 17 177 2014 20 20 -14 ASK 6rp 2 2529 614 912 914 -18	-F-	Magina Dip x 176 14 49 334 325 32 14 3	Sevention 16 11 1712 1772 1712 +16
.5 .5	AspectTel 24:2017 2934;d254, 27 -234, AspecCorna 3.4 57 23 223, 224, -134 AST Ristot 11 4142 1844 1744 1712 -14 Abinson 21 205 834 632 834	Feet Cp 0.24 14 3 55e 55e 51e 51e 51e 51e 51e 51e 51e 51e	Namento Co 27 110 18 ¹ 4 9 ¹ 2 8 ¹ 2 - ¹ 4 Name Or 12 55 51 ₂ 4 ¹ 4 4 ¹ 4 - ⁵ 2 Name Or 12 4 41 ¹ 4 40 ¹ 4 40 ¹ 5 Marquest 0 11 1 ² 8 1 ⁷ 5 1 ⁷ 5	Showber P 0 1586 1012 2014 97g -14 Serta On 20 647 254 245 254 -13 SterraTuc 2 1100 31g 31g 31g SignAt 0.33 20 1628 454 444 4414 -13g
보내	Add SEAR 0.32 20 1627 28 374 224 -12 Austriak 0.48 21 2293 534 524 531 +12 Austriak 11 45 342 34 33 Austriak 15 170 74 712 74	Prithmen 1.08 15 759 e53 92\ 52\ 4 .1 ₂ Fifty 6ff 8 742 4 d3\ 2 3\ 1.2 Figure A 0.563 9\ 2 8\ 4 0\ 2 Recent 34 1227 25\ 2 4 24\ 2 -\ 1.2	Marriotta 19 480 9 91 ₂ 87 ₆ +1 ₄ MarrisSmiA.D.44 11 3 11 181 ₄ 11 +5 ₈ MarrisSmiA D.80 11 559 201 ₄ 201 ₂ 201 ₂ .1 ₄ Mastric 9 147 61 ₈ 77 ₈ 61 ₈	Signades
1-	-B-	Fishberra 1.20 12 1852 355g 355g 355g First Am 0.84 7 801 215g 31 31 34 Fishbothe 0.94 11 270 255g 241g 241g 35g Fishbothe 0.60 21 209 241g 241g 34g	Maxim int 40 686 54 ¹ / ₄ 53 53 ¹ / ₄ -1 Maxim Cp 0 938 6 ¹ / ₂ 6 ¹ / ₄ 8 ¹ / ₄ -1 MxGrann R 0.44 12 106 15 ¹ / ₂ 15 15 ¹ / ₄ + ¹ / ₄ MxGramalc 0.48 17 3366 21 ¹ / ₄ 21 21 ¹ / ₄	Smithful 33 588 25 231 24 -14 Srappleby 63 5540 2414 2314 2314 -12 Software 1 200 5 473 474 -15 Software 81 20 1414 1412 1414 +141
	8 E 1 E 1 0.08 19 22 8 1 8 1 6 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Fet Secty 1,04 11 3574 2614 2612 2612 3612 -12 Fet Texn 1,68 0 761 42 4112 4112 -12 Fet Westo 0,36 7 188 012 816 612	McCaeC 45 4522 492 4812 4812 411 Mad Imag 0 3 12 612 14 Medica in 0,18 17 1058 1414 d13 135 12 Medicals x 0.40 13 385 2312 2314 2314 -27	Southest 0.66 15 2972 2012 20 2012 +14 Southest 0.68 0 327 1675 1875 1812 Spiegel A 0.20 48 445 2314 2214 2214 -14
18.14.14	Richardt B 0.24 3 177 143 14 14 14 Barcisto: 16 120 2212 22 22 12 BrisSouth 0.44 11 2323 1313 1312 1314 -1 Serium 0p 0.40 9 35 1812 1812 1814	Pression 1.56 11 174 4554 454 454 454 456 Prestraine 44 792 759 719 759 +14 Preserv 25 395 2012 2014 2014 -14	Natamine 9:24 5 86 5 ¹ 2 5 5 ¹ 8 ¹ 8 Mentior CD 0.16 44 311 14 ¹ 2 13 ¹ 4 13 ¹ 2 1 ¹ 2 Mentior CD 0.24 22 3068 11 ¹ 8 11 ¹ 8 11 ¹ 8 11 ¹ 8 11 3 11 4 11 4 11 4 11 5 11 5 11 6 1 6 1 6 1 6 1 6 1 6 1 6	St. Judekid x0.40 11 3150 3712 2612 2712 +1 St. Pausile x 0.30 10 1553 2714 2714 1714 1715 St. Vill 2 109 273 273 274 7614 7615 761
44744	Backworth 0.60 11 22 1834 1834 1834 1834 8844 1834 1834 1834	Row let	Mercury G 0.70 7 2215 26 ³ 4025 ³ 2 26 ³ 4 . ⁵ 6 Meridian x 1.36 11 1768 30 ³ 2 29 ³ 6 29 ³ 4 +.88 Merical 17 1612 17 ³ 4 17 ³ 2 17 ³ 2 - ³ 4	Star Banc 1.40 11 4 387g 387g 387g 55ate Star 0.56 18 5275 3895g 3895g 3912 +12 51d Macro 11 1599 1712 17 17 17 18 51d Magro 0.88 14 85 2712 21 21 21 21 21
-2	Bay New 0.20 11 248 21 2014 2014 -12 Bay New 0.20 11 248 21 2014 2014 -12 Bay New 10 13 489 55 57 12 55 +113 8857 Fin 1.08 6 201 2014 2074 2073 2014 -15 85 Avro 20 222 614 74 84	Posectimer 13 54 143-pt1334 14 + 14 PhaneState 0.30 31 5 3214 3214 3214 3256 + 14 Foster A 40 510 32 332 325 2834 - 14 Fish Ra 1.04 11 735 28 2832 2834 - 14	Michael F 0.20 15 650 11 10 2 10 3 + 14 Mich Neril x 2.00305 1084 u68 2 67 4 67 4 - 3 Michael Bit 11 34 518 6458 458 - 18	Sheet Tec 4 908 18 125 1772 1634 1678 -36 Sheetytissa 020 2 160 012 936 612 +34 Sheetytissa 110 12 2014 1934 1934 1734 Strawbyrtz 1,10 12 37 2034 2034 2036 -38
444	BeautiCox 0.28 29 85 1334 123, 123, 123, 56n3Leny 14 682 153-2014 2 143, -3, 58n4 69 W 141 4 1272 293-2 373, 373, -13, 584 69 0.12 13 117 0 883, 83, -1,	Fet Easts 1.12525 58 26 ³ / ₈ 26 ³ / ₈ 26 ³ / ₄ 26 ³ / ₄ Jg Fet Find 0.40 8 94 16 ³ / ₄ 16 16 Fet Hamer 1.16 10 58 12 ⁷ / ₄ 26 ³ / ₄ 26 ³ / ₄ 1 ³ / ₂ Fetier 183 x 0.58 22 427 36 54 ³ / ₄ 54 ³ / ₄	Microsope	Sinucilly 23 1597 1158 11 1178 +18 50740F 0.28 20 931 2654 254 2576 58 508000 21 128 1472 14 14 5080000 0.80 25 29 224 22 22
12 3	81 lnc 97 94 51 ₉ 47 ₉ 43 ₉ Big 6 0.12 16 349 113 ₈ 113 ₉ 113 ₉ -1 ₉ Strokey W 0.08 13 853 121 ₉ 111 ₂ 113 ₉ -1 ₉ Bloget 37 2824 353 ₈ 34 343 ₈ +1 ₂	Future 0.24 19 38 14½ 25 25½ Furan 0.24 19 38 14½ 214½ 14½ +¾ Future 0.24 19 38 14½ 214½ +¾ Future 0.24 19 38 5¾ 5½ -⅓	Mid Att M 44 4766 52 ¹ 4, 50 ¹ 6, 50 ¹ 4, 51 ¹ 6, 50 ¹ 4, 50 ¹ 6, 50 ¹ 2, 4 ¹ 2, Midwidt x 0.40 11 2030 28 ⁷ 8, 28 28 ¹ 8, - ⁵ 8, MidwiGrain 0.50 27 358 1032 ⁷ 8, 21 ⁷ 8, 32 ⁷ 8, + ⁷ 8	Summit Be 0.84 14 599 u2212 2134 22 +14 Summit 70 33 935 2414 234 2414 -12 Sun Span 15 108 812 6 814 -13 Sun State 12 5758 2214 2774 2174 -14
.12	Blomet 17 1117 10 54 954 Block Drg 1.04 11 5 502 6002 3042 -4 8MC Softw 17 5439 5512 5112 5414 +112 Bootman \$ 124 10 1186 2112 3012 3114 +12	- G - 6 H App B 10 43, 4 ¹ 2 4 ¹ 2	Miller 0.52 18 472 2632 2534 2532 34 Miller 505 2234 2234 3234	Swett Tra 28 13 28 27 2 28 +14 Sybase Inc 59 8814 52 2 51 51 4 -14 Symantoc 41 910 157 ₆ 151 ₄ 151 ₄ -14
tent)	Bob Events & 0.27 19 234 214 201 21 Books 0 8 14 31 271 281 271 2 Borland 23 3707 121 125 121 2 Bouten 8 0.76 5 207 32 000 301 18	GRA Bery 0.07 21 27 14½ 14½ 14½ 14½ 14½ Gentos 0 103 3½ 3½ 3½ 3½ 1½ Gentot 76 13 217 4½ 4 4½ +3½ Gento 0 1.6162 67 6½ 9¼ 0½	Modern Cp x0.20 17 86 7½ 7 7 34 Maddre MD 0.66 18 253 28 27 27 34 54 11 Modes no 0.04 73 35½ 34 54 11 Modes no 0.04 37 1080 35½ 35¼ 35½ 32 22	$\begin{array}{llllllllllllllllllllllllllllllllllll$
derd.	Breston TC 57 1877 1372 1272 1275 -74 Brestyw A 0.68 18 10 4872 4872 4872 -114 Bresco 0.20 22 147 072 872 875 75 -74 Brune Sz 0.24 15 1760 75 675 75 75 +14	Geril Bird 0.49 17 2 1712 1612 1912 -14 Gerily to 17 170 412 412 412 614 171	Moscom 0.04 20 226 11½ 10¾ 11½ Moscom 0.04 20 226 11½ 20 4½ 20 4½ 20 4½ 10 4½ Mr Coffee 10 3045 15½ 13¼ 15 +1½ Mr Sys 0.56 11 89 27½ 027 27 ½	Synthetic
を	BSB Brop 0.75 8 139 243, 24 243, 43, 81 Shipping 0.48 0 40 34 34, 34, 34, -3, Buffets 28 5294 254, 6183, 10 -1 Buffets 21 163 153,6125, 125, -3, 163 153,6125, 125, 125, 125, 125, 125, 125, 125,	Genus Inc 137 287 45 ₂ 41 ₂ 41 ₆ Genusme 68 1043 251 ₂ 281 ₂ 231 ₄ + 1 ₄ Gibson Gt 0.40 11 1173 181 ₆ 103 ₆ 187 ₆ -1 ₆ Gddmsd, 0.12 17 517 231 ₄ 221 ₄ 231 ₂ +1 ₆	Manned 12 199 29 ¹ 4 28 ¹ 2 29 ¹ 2 12 12 12 12 12 12 12 12 12 12 12 12 12	-т-
de b	Burnisman 29 315 84, 84, 64, 44, 84, 64, 44, 84, 84, 84, 84, 84, 84, 84, 84, 8	Gibert A 0.80 18 15 17 12 18 12 18 12 18 12 18 12 18 12 18 12 18 12 18 12 18 12 18 12 18 12 18 12 18 12 18 12 18 12 18 12 18 12 18 18 18 18 18 18 18 18 18 18 18 18 18	- % - NAC Re 0.16 13 1448 21 ¹ 4 20 ¹ 2 21 ¹ 4 +1 Nash Pach 0.72 11 66 17 16 ¹ 4 17	T-Cell Sc
	- C - C 100 180 637 25% 25% 25% -1%	EmeteosSys 31 65 114 119 119 116 116 EmeteosSys 0.30 68 160 2114 2814 2914 114 Emeteo AP 0.24 10 2105 1712 1712 1712 1714 Emeteo AP 0.24 10 2105 1712 1712 1712 1714 Emeteo AP 0.24 10 2105 116 676 15 116 116 116 116 116 116 116 116 116	Mat Pizzs 12 88 53 54 54 -12 Mat Campt 0.36 71 230 113 113 113 +12 Mirs Sun 0.20 22 84 154 15 15 -38 Minvigentor 10 139 10 18 10 -38	Technolog 12 1022 19 10 181 ₂ 1 ₂ Technolog 0.80 15 19 583 ₄ 55 561 ₂ 11 ₂ Technolog 2 26 10 0 61 ₂ 1 ₂ Technolog 7 727 133 ₁ 134 ₁ 134 ₂
	Cabot Med 70 94 82 84 074 +1g CadScowps 1.81 18 119 2914 2914 2014 +1g CadScowps 1.81 18 119 2914 2914 2014 +12 CadScowps 1.81 108 21514 1414 15 +14 CadScowps 1.81 18 119 2914 18 +12	Grossmans 1 441 3 k 3 2 3 5 4 6 6 6 6 7 7 7 150 14 k 14 4 14 14 k 1 2 5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	NEC 0.46 95 22 5514 5514 5514 Nellour 17 3578 2814 2714 274 - 34 Neltok Gen 24 2317 1734 1T 1718 12 Mothets 94 800 074 654 55 65	TeleoCommA 967 9329 20 ³ -3 10 ⁵ -8 19 ⁵ -8 -2-2 TeleoR 15 1627 20 ³ -8 9 ³ -8 6 ³ -4 -3 ³ -1 Teleon Cp 46 2299 6 ³ -4 63 ³ -4 6 ³ -1 10 ³ -1 Teleon Cp 0.01 17 1885 17 ³ -8 16 ³ -4 16 ³ -4 16 ³ -4
y 9	Calgare 225 7 1140 115 105 115 14 Cal Micro 17 274 184 184 19 4 19 4 Carabrillo 7 4112 175 175 175 175 175 175 175 175 175 175	- H -	Neuropen 25 3 7-8 7-8 7-8 Neuropen 27 16 410 17-4 17 17-2 +-12 New Bus 0.50 22 853 20 10 18-4 4-2 New Image 7 1435 10-9 8-4 9-55 1	Tetra Tet: 70 711 u85g 81g 81g 81g 14 levelPhADR 0.27 22 7363 234 d223 232 11g Three Com 3912904 5914 571g 571g 17g TJ Int. 0.22 \$7 349 25 24 243
J _q	Creates 0 333 13, 612 132 34 Canonine 0.00112 24 613, 613, 614, 34, Canonine 1 195 314 3 3 48 Cardinal 0.12 25 144 4512 4514 4514	Harding A 54 27 91 ₂ 6 0 Hartenyol 0.64 8 433 22 211 ₂ 217 ₈ +1 ₉ Harper Op 0.20 13 20 151 ₆ 41141 ₂ 141 ₂ -1 ₂ HBO 8 Co 0.10 22 5548 231 ₂ 201 ₂ 281 ₂ 11 ₈	NordgeNet 3812951 53% 50% 51% - % Newport Cp 0.04 12 265 46% 57% 9 + \u2214 Newport Cp 0.04 12 265 46% 57% 9 + \u2214 Note Dri 26 3213 9% 46% 87% - \u2214 Nordson 0.56 25 170 58 56% 55% - 1	Tokes Med 2 88 3½ 3¾ 3¾ 3¾ 13 17 17 17 18 18 18 18 18 18 18 18 18 18 18 18 18
-1g -1g	CartonCm 0.53 23 d1 275, 232, 255, 16 Cassade 0.50 10 4 21 21 21 Cassay S x 0.08 18 404 714d105, 11 -14 Catyons 4 170 03; 5, 632	Healthcar 16 4888 20% 10% 10% 10% 4 10% 4 10 10 10 10 10 10 10 10 10 10 10 10 10		TPI Enter 4 1662 87 94 81 13 Transvet 10 2 11 11 11 Transvet 100 11 273 440 4 39 39 1 + 4 Transvet 9 50 3 27 27 - 4
4	Cebiter 8 334 1814 1813 1914 (25) Cp 19 10 1212 1212 1212 +18 (Certinalis) 358 395 1012 1014 1014 -19	Hechinger x 0.18 28 4570 18 ¹ ₈ 15 ¹ ₈ 15 ¹ ₈ 15 ¹ ₈ 18 Heiding 22 10 ¹ ₂ 10 ¹ ₂ 10 ² ₈ +1 Heiding 8 10 14 ¹ ₈ 13 ¹ ₂ 14 ¹ ₈ +1 12 14 ¹ ₈ 14 ¹ ₈ +1 12 14 ¹ ₈ 14 ¹ 8	NW Ar 7800 15¼ 14½ 15 -¼ Novella 2027788 18¾ 15¾ 15¼ ½ 15 -¼ Novella 2027788 18¾ 15¼ 15¼ 15¼ 15% 15% 15% 15% 15% 15% 15% 15% 15% 15%	Tomble 49 181 93, 93, 93, 35, 35 Trustratik 7.00 10 233 20 1012 1912 14 Treng Lab 0.20 13 853 9 712 75, 34 TysfdA 0.08 15 506 1912 1913 107, 32
	Centation 3 3027 184 10 187 18 18 18 18 18 18 18 18 18 18 18 18 18	Hogen Sye 0.15 25 438 0 91 ₂ 81 ₄ +1 ₅ Hologic 44 1068 u10 91 ₄ 01 ₄ -1 ₅ Home Beni 0.50 0 14 211 ₄ 020 211 ₄ +5 ₉ Home Otce 0.72 25 251 u21 20 201 ₄	-0-	- U -
72	CarmSh 0.09 15 1818 18 ¹ 4 8 ¹ 2 8 ¹ 2 - ¹ 4 Chemister 42 47 42 ¹ 2 8 ¹ 4 8 ¹ 4 12 47 47 47 47 47 47 47 47 47 47 47 47 47	Non-Index 0.44 23 121 33 ¹ 2 32 ¹ 2 32 ¹ 2 -1 Nor-Indext 16 548 16 ¹ 4 14 ¹ 4 14 ¹ 6 Non-Index 0.44300 55 3 3 3 Hunt JB 1 0.20 22 1062 22 27 22 + ¹ 2	Octel Com 15 3741 20% 19% 10% -5g	U6 Himt 0 68 1317297 38 ¹ 2 37 37 ¹ 4 -1 Unitab 2 713 5 ² 6 5 ² 4 5 ² 4 100 100 25 16 ¹ 2015 ² 4 18 ¹ 2 + ² 6 U5 7st 200 12 25 ² 4 5 ¹ 2 50 ² 3 51 ² 2 + ² 6
14.77	Chippatre 0. 812 53g 42 42 38g Chippatre 0. 812 53g 42 42 35g 42 65 42 Chippatre 1.28 12 340 523g 523g 523g 523g -34	Huntington 0.80 10 1242 247 ₂ 241 ₄ 241 ₂ +1 ₈ Hunto Co 0.08 0 129 21 ₂ 21 ₄ 21 ₄ HutchTeck 57 191 351 ₄ 35 35 -1 ₂ Hytor Bio 19 243 51 ₄ 51 ₄ 51 ₄ 1 ₈	OnioCs 1.46 5 824 301482714 2714 -238 Dat Kent x 1.18 10.1309 ii3413 3334 3419 -132 UKI MattB 0.92 19 2 3814 ii36 3614 +14 Onbaricorp 1.00 7 46 3014 2312 2812 -14	United St. 0.40 11 1098 13% 12% 13 -1; United 0.20 31 25/2 25/2 25/2 -1; United 1.40 21 214 39% 39 36 -1; US Banco 0.88 10 3125 25/2 25/4 25/4 +1;
	Carriage 28 7818 37 \(\frac{1}{2} \) 35 \(\frac{1}{2} \) 35 \(\frac{1}{2} \) 37 \(\frac{1}{2} \) 38 78 8 37 \(\frac{1}{2} \) 38 78 38 31 32 33 \(\frac{1}{2} \) 37 32 38 31 32 28 \(\frac{1}{2} \) 39 31 32 38 31 32 33 \(\frac{1}{2} \) 38 78 38 38 38 38 38 38 38 38 38 38 38 38 38	-1-	Optical R 18 121 20 19 ¹ 2 18 ¹ 2 - ¹ 4 OracleS 4227416 29 ⁷ 8 28 ⁷ 8 29 ⁷ 4 - ¹ 1 Orb Sence 52 1341 21 ³ 4 20 ¹ 4 26 ¹ 2 - ¹ 2	US Energy 30 22 45 41 41 43 48 UST Corp 1.12 0 362 14 132 131 14 Uuh Med 12 842 75 75 75 72 14 Uhd Telev 10 29 441 44 .12
4	Cleen Hox 25 343 714 7 714 +14 Cliffs Dr 44 105 1276 1234 1276 Cliffs Dr 48 105 1276 1234 1276 Cliffs Dr 48 105 1276 1276 1276	FR Sys 52 10 u0 6½ 6½ 5½ 5½ 18074 18 014 14 2½ 18 18 14 14 12 14 18 14 14 18 14 14 18 14 14 18 18 18 18 18 18 18 18 18 18 18 18 18	Ortomech 0.99 25 256 814 812 836 -14 Ortomech 0.99 25 256 814 812 836 -14 Ortomech 0.31 8 454 514 476 5 +18 Ortomech 0.31 8 454 514 476 5 +18 Ortomech 0.31 8 455 312 6356 312 +18	UND 18 10 Sig Sig Sig 53
3	Cotta Engy 100 825 5-1, 43, 5 Cotta-Narm 27 150 1112 10-2, 70-3, -3, Connex Co 29 216 1014 1814 1815 1815	Immeragen 4 248 514 434 434 -12 Imperi Bc 0.40 21 521 1634 1634 1632 +14 Ind Suncp 1.18 10 50 3838 3818 3818 -19 Ind Ins. 2.24217 4 1534 1534 1534	OtterTell x 1.72 14 76 3212 314 314 -1	- V - Mulmont 0.30 32 1894 15 ¹ 4 g14 14 ¹ 4 - ¹ 4 Magnal Cell 64 531 23 ¹ 4 33 33 Marriane 18 536 17 18 ¹ 4 18 ¹ 4 · ³ 4
_	Coherent 16 143 13 ¹ 2 13 ¹ 3 13 ¹ 3 13 ¹ 4 13 ¹ 50 ¹ 2012000 01 534 21 ¹ 5 20 20 ¹ 4 11 ¹ 2 Coini Gee 126 13 13 21 ¹ 2 20 ¹ 2 20 ¹ 2 -T	Int Res 1T 1822 184, 144, 144, 114, 114, 114, 114, 114,	-P-Q-	Acor 38 332 2514 2414 2414 15 Moorphist 0 339 1014 154 154 15 Hewlogic 28 699 2218 22 22 78 MLSI Tech 32 4884 1476 1416 1424 4-12
	Comer 2 0.24 11 1425 1834 dt7 1734 -134 Cmest A 0.09 18 1969 7734 1734 1732 - 2	Impative: 26 20 11 ¹ 2 11 11 ¹ 4 Impative: 20 10 4 ³ 9 4 4 ³ 9 Intel x 0.24 1122368 56 ³ 4 58 ¹ 2 58 ⁵ 8 1 ¹ 4	PacDuniop 0.62 13 175 134 1372 1312 +18 FTietem 1.32 15 0 23 28 23 -14 PacMCre 28 802 57 55 564 +14	John B 0.97 17 22 93 ¹ 2 92 ⁵ 5 92 ⁵ 6 - ¹ 5
	Commof 0.70 94 98 16 174 18 ½ Comprists 404 546 124 12 1212 Comprists 53 208 11½ 11 11¼ +¼	12 342 31 ₂ 627 ₂ 31 ₅ 41 ₄ 100pmH 0.32 35 5032 2034 20 2032 100pmH 21 85 10 91 ₂ 91 ₂ 1 ₆ 10pmH 21 85 131 ₂ 131 ₅ 131	Peerless 0.50 42 36 10 ¹ 2 0 ³ 4 9 ³ 4 .1	- W - Warmer En x 0.10 21 25 27 28 2 27 + 12 Warmtech 73 30T 4 2 43 41 32
	ConPap x 128 25 317 35 4 35 4 35 4 35 4 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	intugeh 3 559 9 ³ 2 0 ³ 4 9 ³ 2 Intervent 0 291 7 6 ⁵ 9 6 ⁵ 9 Intervent 225 25 12 ³ 4 11 ³ 4 11 ³ 4 12 ³ 5 Intervent 20 3392 11 ³ 9 10 ⁷ 9 11 ³ 9 13 ³ 9	Penn Virg 1.80 28 179 331 ₂ 311 ₂ 32 ₁ 2 411 1 Pennsyle: 2.20 17 24 304 30 3034 1 Pennsyle: 0.12 15 358 343 ₄ 34 34 .1 ₂ 1	MedifAuSBALGE 6 724 18 ¹ 4 19 10 10 10 10 10 10 10
	ContelCot 20 500 18 ¹ 4 14 ¹ 4 10 19 10 11 10 12 10 12 10 12 10 12 10 12 10 12 10 12 10 12 10 12 10 12 10 12 10 12 10 12 10 12 10 12 10 12 10 12 10 12 12 12 12 12 12 12 12 12 12 12 12 12	INDERFYCIA 14 106 ur18 ¹ 2 17 ¹ 4 17 ¹ 4 bx Ree x 0.08 20 35 3 3 x 0.09 bx Total 400 288 8 ¹ 4 0 0 - ⁵ 2 bx Recard 0.01 10 377 28 ¹ 2 27 ¹ 2 28 ³ 4 + ¹ 4	Perfect 1 17 276 6 ¹ 2 6 ¹ 4 6 ¹ 2 + ¹ 4 1 Perment 1 020 20 28 19 18 ¹ 4 18 ¹ 4 1 ¹ 4 1 Peop Sanc 1.36 18 194 53 52 ¹ 2 52 ¹ 4 1 1	MD-40 2.00 16 114 43 424 424 -
	Corp. CP 19 569 44% 44 44% 1 Corp. CP A 40 506 15½ 74% 14% 12	lorenge Cp 1 89 2½ 2½ 2½ 2½ 14 bornests 10 8 18 17¼ 18 torrolado 1.30 39 6 213 212 213 +½	Petrolius 1.12 18 4 35 33 33 .14 Programacy 21 40 7 612 7 Programacy 25 587 512 514 532 Programacy 25 587 512 514 532 Programacy 25 587 512 514 532 Programacy 25 587 512 514 512 Programacy 25 587 512 512 512 512 512 512 512 512 512 512	Not Seek 18 16 18 18 18 18 18 18 18 18 18 18 18 18 18
	Crown Res 42 40 8 5% 6 Cytogen 2 337 35g 31 ₂ 31 ₂ -1 ₄	- J - E.J Smark 16 1457 15 ² 3 014 14 -1 ¹ 4	Petturete 37 852 13 ¹ 2 13 13 1 ₂ 1 Pinkarton 42 202 18 ¹ 4 18 ¹ 4 16 ¹ 2 14 1 PoneerGp 0 60 27 1182 40 ¹ 4 39 ¹ 2 39 ² 6 11 1	Modelan I. 0.20 1.2 5 1412 1414 1414 1414 1214 1414 1414 1
	- D - DSC Con 2815782 82 ¹ 4 59 ² 4 59 ⁵ 8	Jason Inc	Percent 1.39 23 1913 3.34 3.42 3.54 4 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	-X-Y-Z-
	DetaSutten 0. 39 24g 2 21g +1g - DetaSets 29 45 7 84g 7 4g -	Jones Med 0.10 17 97 1178 1112 1112 114 Joseph Cp 1.20 11 5 2412 2412 2412 3412 381 Ph z 0.84 14 50 2718 2218 2218 114	Present 65 274 2314 23 2314 X Pr/Cost 21 13540 1412 c14 14 112 X Pride Per 40 57 512 514 514 14 1	Birnx 34 2968 33 ¹ 2 52 52 ⁷ 6 + ¹ 4 toma Corp 2 441 4 35 ⁶ 5 33 ⁶ 6 - ¹ 6 sidow 2 0.94 27 1700 187 ₈ 618 ³ 6 185 ₅ - ¹ 4 ork Rach 60 1893 6 ¹ 4 5 ³ 8 5 ₁ 74 • ¹ 6
ı	Tab Dans (27) 25 C7 (27 a) a)	hade 00 100 101 101 101 101 2	New Core	A 100 DE 10 PER 100 AN

Dow falls as bond yields set a fresh high

Wall Street

US share prices fell across the board yesterday morning after bond yields had risen to a new 18-month high amid disappointmeot that the Federal Reserve did not, as had been expected, raise interest rates to cool the rapidly expanding economy, writes Patrick Harverson in New York.

By 1 pm the Dow Jones was down 24.39 at 3,645.11, near its low-point for the morning. The more hroadly hased Standard & Poor's 500 was down 3.13 at 444.69 at the halfway mark, while the American Stock Exchange composite was



off 2.80 at 436.93 and the Nasdaq composite 5.27 lower at 727.59. Trading volume on the NYSE was 146m shares hy

Typically, a tightening of monetary policy by the Fed is seen as negative for stocks, because higher interest rates undermine confidence in corporate earnings and the attractiveness of equities relative to other financial assets. However, yesterday was different, because the bond market was convinced that the Fed would raise interest rates during the morning session to prevent the economy from overheating and

fuelling a revival of inflation. When the Fed did not raise rates as expected, bond prices fell further from their morning lows, in the process pushing the yield on the benchmark 30year issue up to more than 7.6 per cent, its highest level in 18 months. That increase prompted selling of stocks. Among individual stocks, Kemper jumped \$2% to \$59% in

beavy trading after the financial services group put itself up for sale after GE Capital raised its bid to \$60 a share. The reaction of the market suggests that investors do not believe that a counter offer will be made higher than GE Capital's \$60 a share bid. General Electric. GE Capital's parent, fell

McKesson climbed \$4 to \$76 after it was confirmed that Glaxo, the UK pharmaceuticals giant, was in talks to possibly acquire part or all of the US drugs distribution group. Drug stocks as a group, buoyed by the recent merger activity, bucked the trend, with Schering-Plough adding \$% at \$63%. Pfizer firming \$% to \$59%, Bristol-Myers Squibb rising \$% to \$53% and Johnson & Johnson

edging \$% higher to \$40%. Tobacco stocks were the most heavily traded sector of

RJR Nabisco fell \$% to \$6 in volums of 1.3m shares and Philip Morris slipped \$1% to \$50% amid growing concern that a new round of lawsuits was likely to be filed against the tobacco industry in the wake of recent reports that company executives knew for a long time that cigarettes caused lung cancer.

Canada

Toronto was weighed down by interest rate fears and stocks sagged at midday in sluggish trade, the TSE 300 composite index losing 33.96 at 4220.10.

Volume was 22m shares valued at C\$224.9m, declines leading advances by 389 to 153 with 251 unchanged. All Toronto's 14 sub-indices sank at midday, with precious metals, financial services and forest products falling most.

The oil sector showed the greatest promise, as oil jumped another 8 cents to \$17.77 per barrel. Shell Canada climbed C\$% to C\$41% while PanCanadian Petroleum was up C\$\% to

Trizec dropped 16 cents to 29 cents as creditors continued to fight over the property company's restructuring plan.

Zurich and Vienna both hit new lows for year

As hourses waited apprehensively for the US Federal Reserve to act on interest rates, yesterday was agonising for those of them, such as Zurlch and Vienna, which are deeply influenced hy attitudes to defensive stocks, writes Our Markets Staff.

Both Swiss and Austrian equities hit new lows. The Zurich market held out until early February against the prospect of lower US interest rates, said Mr Andrew Bell, director of European strategy at Barclays de Zoete Wedd, and even enjoyed a "bubble" in financial stocks early this year.

Since then, Germany, strong in cyclicals, has taken over the running and the Swiss correction has heen savage: "from bubble to rubble in three months." said Mr Bell.

ZURICH saw heavy selling in Rocha and growing worries about the weak dollar and the soft domestic bond market as the SMI index dropped 71.9, or 2.7 per cent, to 2,569.5, down 19.5 per cent from its January 31 closing high. Roche certificates fell SFr150

to SFr6,300, while the bearers dropped SFr500 to SFr12,100. Mr Frederick Hasslauer, at Bank Sal Oppenheim, said today's press conference and

next week's analysts meeting would allow the company to justify the price it has paid for the Syntex acquisition in the US. Meanwhile, the takeover has been presented as defensive and this, in itself, has cast doubt on Roche's long term growth potential. Turnover was said to be

high, close to Friday's near SFr2bn level. Representing dollar stocks. Nestlé dropped SFr45, or 4 per cent, to SFr1,085; in financials, CS Holding finished SFr26, or

4.45 per cent, weaker at SFr558.

ume, and weakness in utilities.

VIENNA also saw heavy vol-

financials and construction stocks as the ATX index dropped 22.35 to 1,053.6. Mr Frank Jonuschat at James Capel noted pressure on EVN and Verbund in utilities, the former dropping Sch48, or 3.6 per cent, to Sch1,300;

domestic brokers said that

investors were making room

FT-SE Actuaries Share Indices Open 10.36 11.00 12.00 13.00 14.00 15.00 Close Housey changes FT-SE Eurotrack 100 1441.86 1439.44 1438.84 1440.86 1441.43 1440.40 1438.77 1437.30 FT-SE Eurotrack 200 1455.41 1453.92 1453.59 1458.64 1458.71 1454.73 1453.05 1452.04 May 6 Mar 5 1450.63 1465.18

for next week's VA Tech flo-

FRANKFURT lost a relatively modest 0.8 per cent, the Dax index closing 18.14 lower on the session at 2,218.88, holding its ground in the post bourse in spite of the morning decline on Wall Street.

Turnover fell again, from DM7.1bn to DM6bn, and traders detected no great pressure to sell. Daimler consolidated Fri-

day's post-bourse drop on DVFA losses of DM70 a share for 1993, losing DM12.50 at DM379; and profit-taking in the engineering sector saw Deutsche Babcock, amid a list of declines, DM3.20 lower at

session low. PARIS managed to pick up

index still closed the session with a loss of 18.80 to 2,139.42. The market has continued to disappoint analysts, with a ent recently from Kleinwort Benson being typical. The investment bankers, recom-mending an underweight position within a European portfonoted that while the outlook for corporate earnings remained good and was improving, momentum had been stalled by the large number of rights issues and privati-sations, both completed and

some of the ground lost early

in the day, but the CAC-40

Euro Disney featured among the active issues, hitting a 1994

low of FFr29.75 at one stage before closing off FFr1.65 at FF130.00 as investors awaited details of the capital increase.

AMSTERDAM weakened as the market kept its attention focused on a possible interest rate rise in the US. The AEX index shed 5.32 or 1.3 per cent to 406.03, slightly above the

Among the day's news items, Ahold put on 10 cents to Fl 47.00 as the retailer reported a rise in sales over the first four months of the year. KLM was another of the day's risers. improving by 50 cents to Fl 52.50 on reports, later denied, that co-operation talks with Swissair might be

Unilever declined in line with the trend, finishing off Fl 4.50 at Fl 199.70: the multinational is due to report first quarter results later in the

dent among some recent strong performers such as DSM, off F1 4.80 at F1 138.70. MILAN continued to wait for

Profit-taking was also evi-

reported as moderate. The Comit index advanced 5.43 to 806.37. The insurance sector moved

ahead with some investors seen switching out of recently strong areas, such as industrials and finance. Generali, for instance, added L1,850 to L47,950, following its announcement last Friday that it was to lift its ordinary dividend. Fondiaria put on L340 to L17,550 amid continued speculation that Generali might be planning to strengthen its ties.

MADRID fell again but it was almost a relief, in the afternoon, for the market to be concerned as much with weak-ness on Wall Street as with Spain's political woes.

The general index closed 3.81 lower at 314.41 in turnover of Pta15.1bn. Banks, utilities and communications all suffered with BBV down Pta80 at Pta3,110, Iberdrola Pta17 lower at Pta925 and Telefónica Pta50 lower at Pta1,725.

Written and edited by William the formation of the new gov-

ASIA PACIFIC

Hong Kong leads regional declines in thin turnover

Tokyo

Uncertainty over fluctuations in the yen, US interest rates and the knock on effect from New York's embattled bond and stock markets prevailed in Japan, and the Nikkei 225 average lost moderate ground in very low volume, writes Emiko Terazono in Tokuo. Small-lot, arbitrage-linked

sslling left the index 75.51 easier at 19,786.96 after a day's high of 19,820.86 and low of 19,721.04. Voluma was 150m shares, against Friday's 175m. Investors looked for excuses

to remain on the sidelines, said a Japanese trader. The settlement for index-futures options this Friday was cited as a further, domestic reason for the inactivity; and some market participants were said to be wary of the corporate earning reporting season, which starts

Fears over the US Federal

Reserve's monetary policy and its possible negative impact on US financial markets pushed down the dollar. The currency closed Y0.69 off from Friday at Y102.67. Investors continued to be wary of the yen's rise and its adverse affect on corporate

The Topix index of all first section stocks slipped 4.85 to 1,610.84 and the Nikkei 300 lost 0.66 at 294.94. Falls led rises by 666 to 307, with 185 issues unchanged. In London the ISE/ Nikkei 50 index eased 0.24 to 1.308.06.

Export-oriented, high technology shares were lower on the rise in the yen. Sony fell Y90 to Y5,610. Toyota Motor also declined, by Y20 to Y1,960. Individual investors continued to trade speculative favourites. Brother Industries, the most active issue of the day, firmed Y2 to Y675 and

Wakachiku Construction shed Y3 to Y667 on profit-taking. Higher commodity prices

helped some sectors. Petroleum issues were higher on gains in crude oil, Showa Shell Sekiyu putting on Y30 at Y1,410 and General Sekiyu Y30 at Y1,250. The rise in gold bul-lion supported mining shares, Sumitomo Metal Mining rising

Y5 to Y901. Arbitrage selling hurt bank stocks, Industrial Bank of Japan declining Y20 to Y3,200 and Dai-Ichi Kangyo Bank Y20

In Osaka, the OSE average receded 69.53 to 22,027,33 in volume of 18.7m shares.

Uneven trading characterised tha Pacific Basin's markets yesterday. Manila was closed for a holiday.

HONG KONG fell 2.3 per cent in lower than average turnover, although bargain hunting later in the day helped to trim the losses. The Hang Seng index shed 198.57 to 8.421.70. Turnover amounted to HK\$2.3bn, against Friday's Property and financial

shares were selling targets. Brokers said uncertainties about plans to cool the overheated real estate market deterred purchases.

Cheung Kong was the day's most active issue, losing HK\$1.25 at HK\$34, followed by HSBC, off HK\$1.50 at HK\$81.50. SINGAPORE retreated a further 1.5 per cent as the market

continued to consolidate after testing the 2,300 level last The Straits Times Industrial index shed 33.79 to 2,222.40 in turnover of S\$438.8m. Brokers

said weakness across the Pacific Rim undermined sentiment to push the index lower for the fourth session. Natsteel dropped 30 cents to S\$5.00 on news of a cut in domestic steel prices. SEOUL, in contrast, rose for tha fourth consecutive day in increased trading. The composite index added 3.74 at 940.15. TAIWAN performed strongly

and the weighted index gained 15.07 at 5,996.80, but after a session high of 6,054. Turnover fell to T\$66.5bn from Saturday's T\$77.4bn. Ruentex Industries closed

the day's limit up at T\$31.80 on news that it could earn more than T\$1bn in coming years on land development projects. KUALA LUMPUR was marked down hy 2 per cent,

the falls led by foreign selling of hlue chips. The composite index shed 20.94 to 990.63. AUSTRALIA closed higher on firmer commodity prices,

The All Ordinaries index rose 5.0 to 2,009.3. Turnover totalled A\$307.0m. Higher gold and base metals prices offshore helped to boost the prices of most mining issues, while industrial stocks

worries over a possible rise in

US interest rates.

from an early 20-point fall and the NZSE-40 capital index closed off 4.93 at 2,043.49. BOMBAY maintained Fri-

day's momentum, with the BSE 30-share index adding 40.33 at 3.755.90. Brokers said that overseas fund managers had begun to pick up some KARACHI lost 2.5 per cent

as many investors unloaded stock to square positions before today's clearing day. The KSE 100-share index fell 58.84 to 2,307.42. with Lever Brothers off Rs75 at Rs1,325.

SOUTH AFRICA

Equitles in Johanneshurg remained positive ahead of today's closure for the inauguration of Mr Nelson Mandela as president. The overall index added 132 at 5,441, industrials advanced 95 to 6,609 and the continued to be depressed by golds index rose 66, or 3.6 per cent, to 1,891.

Brazil slips 3% after new currency is announced

Brazil

Equities were down 3 per cent at midsession as investors reacted to news that the government intended to introduce its new currency - the real -

from July 1. The Bovespa index was quoted off 642 at 14,461. Turnover had reached Cr136bn (\$94.7m).

Among active stocks. Telebras weakened 5.5 per cent to Cr42.50 and Eletrobras 4.7 per cent to Cr224. The new currency is being brought in as part of an

Copyright. The Financial Times Limited, Goldman, Sectio and Co. and Natifiest Securities Limited. 1987 I pleat primary with promoted for this addition.

being finalised. It is expected that the real will be backed initially by Brazil's foreign

exchange reserves. The market has been depressed in recent weeks awaiting details of the government's anti-inflation policy. Equities have fallen by some 10 per cent in dollar terms so far this year.

The market fell back in line with trading on Wall Street. but activity was described as

	7.0	dunga in loc	% change utarilog †	% change in US 5 †		
	1 Wesk	4 Weeks	1 Year	Start of 1994	Start of 1904	Start of 1904
Austria	-1.57	-4.69	+29.53	-8,92	-6.23	-5.43
Belglum	+0.42	+3.02	+23.24	+1.06	+5.61	+6.50
Denmark	-3.13	-1.67	+22.09	-0.29	+2.98	+3.85
Finland	-1.72	88.0+	+49.41	+13.14	+20.17	+21.18
France	-0.43	+1.37	+16.23	-3.60	-1.39	-0.56
Germany	-0.26	+1.32	+33.42	-1.75	+1.54	+2.40
reland	-2.81	-0.71	+22.38	-3.06	-0.84	+0.00
Italy	+0.22	+5.85	+48.97	+30.12	+38.02	+39.19
Netherlands	-0.54	-0.42	+25.43	-2.31	+0.56	+1.40
Norway	-0.94	-0.98	+25.93	+3.49	+6.77	+7.67
Spain	-1.93	-1.96	+26.42	-3.65	-0.62	+0.23
Sweden	+2.54	+2.57	+36.00	+6.54	+14.25	+15.21
Switzerland	-2.95	-5.93	+24.51	-8.38	-4.74	-3.93
UK	-0.54	-0.31	+12.69	-7.80	-7.80	-7.02
EUROPE	-0.64	-0.04	+21.74	-3.12	-0.97	-0.18
Australia	-2.69	-3.13	+16.57	-7.29	-3.14	-2.33
Hong Kong	-3.91	-8.33	+28.24	-28.03	-28.63	-28.03
Japan	+0.85	-0.03	+0.58	+11.23	+19.77	+20.76
Malaysia	-4.67	+5.22	+52.91	-21.80	-20.93	-20.27
New Zealand	-3-06	-2.70	+28.62	-7.76	-5.67	-4.87
Singapore	-2.38	+7.08	+35.10	-10.91	-8.65	-7.88
Canada	-0.55	-1.02	+9.87	-0.79	-5.76	-4.97
USA	-0.71	+0.13	+0.82	-3.93	-4.73	-3,93
Mexico ,	-4.04	-2.53	+36.80	-13.88	-19.87	-19.19
South Africa	-2.00	+8.52	+44.98	+8.54	-1.65	-0.83
WORLD INDEX	-0.42	-0.06	+7.34	-0.61	+1.61	+2.47

MARKETS IN PERSPECTIVE

prought in as pa			modera						Z							
the tests			_			ndex w		ORLD P	IDEX	-0.42	-0.0	6 +7	.34	-0.61	+1.61	+2.47
ttempt to tackle which currently	tands	at	down 5. of 1.2m	shares.			No	Breed on (West Sec	May 5th 19 writion Line	94. Copyr Red.	ight, The	Financial T	الجنايا ومحا	led, Golden	ars, Section	A Co. an
round 50 per cent a Several details a			Telm easier a			per ce										
:hangeover - future			the fall				an T			uld ha						
he real's exchange			Street.	· •-			a			for a						
he US dollar, for e	xamp	le –	The	market	was	awaiti				iday.						
vill not be annour	iced u	ıntil	April's	inflatio	n data	, due o				n non Londo						
ext month.			later in	the ses	sion, a	nd anti	Ci- Si	ist at	Cu. III	ort Be	ngon i	s look	ing for	r ⁴ 9 m	SIOT T	etchet
Mr Rubens Ricu	pero.		pating				er in	e un	of US i	nteres	t rates	". In a	additio	n. he	descril	es US
inance minister, :	sald f	inal	televise	d deba	te by c	andidat	es N	larch i	nntual	fund (lata a	s "a di	saster	emr	hasisi	ng the
lecisions on mone	etary	and	for the	forthe	oming	preside				g cash						
xchange rate pol	licy v	vere	tial elec	tion.						asset			•			
		-			_						_				_	_
FT-ACTUARIE:	SW	DRLD	IND	CES	C 10	1										
and a second by The Co	omeini Ti	1 to	Colomon	Onete P	~ ~	Al-main-	e					-4 6	da_ a d			
ointly complied by The Fin IATIONAL AND	016601 11	IIIII LIII.	- Guardinan,	3845 6	CO. MIC	LETTA1621	SOCUE VIDE	LEG. H	AN QUI KARA	i wati tiro	нимиция	OI PACCULA	200 WILL U	in result	y Or Accoun	m(00)
EGIONAL MARKETS				RIDAY M	AY 6 190						YAM YAS	5 1994 -		DC	LAR IN	DEX
igures in parentheses how number of lines	US Dollar	Day's Change	Pound Sterling	Yen	DM	Local Currency	Local % chg	Gross	US Dollar	Pound Starting	V	DM ·	Local	50alı	60 made	Year
f stock	index	%	ructer.	index	Fuciex	Index	on day	Otv. Yleid	index	index	Yen Index	Index	Currency	High	PS MARK	(approx)
	162.00	0.9	161.97	105.90	141.15	151.59	0.9		161,48	159.96		140.08	150.27			
ustralia (69)	- 174.99 - 174.94	-0.9	173.83	113.65	151.53	151.69	-0.7	3.62 1.02	176.25	174.58	104,85	152.86	150.27	189.15 195.41	130.15 139.63	137.6
sigtum (42)		-0.2	172.13	112.54	150,04	148.55	-0.3	3.73	173.62	171.97	112.70	150.57	147.03	178.67	141.92	
nada (106)	129.04	0.2	128.23	83.84	111.77	129,15	-0.1	2.81	128.77	127,55	83.59	111.68	129.25	145.31	121,48	127.7
nmark (339	256.72	-0.1	255.10	166.79	222,36	227.80	-0.1	0.95	256.94	254.50	166,79	222.83	228.11	275.79	207.58	225.6
nland (22)	149,29	0.5	148.35	96.99	129,31	169,40	0.4	0.88	148.60	147.18	96.46	128.87	168.78	156.72	85.54	99.6
nland (22),ance (95)	149,29 174,98	0.5 -0.1	148.35 173.88	96.99 113.68	129,31 151,57	169.40 156.79	0.4 -0.1	0.88 2.86	148.60 175.11	147.18 173.45	96.46 113.67	128.87 181.87	168.78 157.03	156.72 185.37	85.54 149.60	99.6 161.5
nland (22) ance (96)	149,29 174,98 143,60	0.5	148.35	96.99	129,31	169,40	0.4	0.88	148.60	147.18	96.46	128.87	168.78	156.72	85.54 149.60 107.59	99,61 161,56 113,5
nland (22)ance (95)emany (58)ong Kong (56)	149,29 174,98 143,60 352,17 185,21	0.5 -0.1 0.2 2.8 -0.4	148.35 173.88 142.70 349.95 184.04	96.99 113.68 93.30 228.80 120.33	129,31 151,57 124,39 305,05 160,43	169.40 156.79 124.39 349.36 179.53	0.4 -0.1 0.0 2.6 -0.4	0.88 2.86 1.66 3.04 3.35	148.60 175.11 143.37 343.17 185.99	147.18 173.46 142.02 339.92 184,24	98.46 113.67 93.07 222.77 120.74	128.87 181.87 124.34 297.63 161.31	168.78 157.03 124.34 340.40 180.27	156.72 185.37 147.07 506.56 209.33	85.54 149.60 107.59	99.65 161.56 119.5 274.5
nland (22)	149,29 174,98 143,60 352,17 185,21 95,47	0.5 -0.1 0.2 2.8 -0.4 3.5	148.35 173.88 142.70 349.95 184.04 94.96	96.99 113.68 93.30 228.80 120.33 62.02	129,31 151,57 124,38 305,05 160,43 82,69	169,40 156,79 124,38 349,36 179,53 114,10	0.4 -0.1 0.0 2.6 -0.4 3.0	0.88 2.86 1.66 3.04 3.35 1.54	148.60 175.11 143.37 343.17 185.99 92.20	147.18 173.46 142.02 339.92 184.24 91.33	96.46 113.67 93.07 222.77 120.74 59.86	128.87 181.87 124.34 297.63 161.31 79.97	168.78 157.03 124.34 340.40 180.27 110.73	156.72 185.37 147.07 606.56 209.33 96.03	85.54 149.60 107.59 271.42 155.93 57.88	99.63 161.56 113.53 274.56 180.73 70.36
nland (22)	149,29 174,98 143,60 352,17 185,21 95,47	0.5 -0.1 0.2 2.5 -0.4 3.5 1.4	148.35 173.88 142.70 349.95 184.04 94.96 156.18	96.99 113.68 93.30 228.80 120.33 62.02 102.11	129.31 151.57 124.39 305.05 160.43 82.69 136.14	169,40 156,79 124,39 349,36 179,53 114,10 102,11	0.4 -0.1 0.0 2.6 -0.4 3.0 1.5	0.88 2.86 1.66 3.04 3.35 1.54 0.79	148.60 175.11 143.37 343.17 185.99 92.20 155.01	147.18 173.46 142.02 339.92 184.24 91.33 153.55	96.46 113.67 93.07 222.77 120.74 50.86 100.62	128.87 181.87 124.34 297.63 161.31 79.97 134.44	168.78 157.03 124.34 340.40 180.27 110.73 100.62	156.72 185.37 147.07 606.56 209.33 96.03 166.91	85.54 149.60 107.59 271.42 155.93 57.88 124.54	99,63 161,56 119,53 274,56 180,73 70,36 145,6
nland (22)	149,29 174,98 143,60 352,17 185,21 95,47 157,17 471,66	0.5 -0.1 0.2 2.8 -0.4 3.5	148.35 173.88 142.70 349.95 184.04 94.96	96.89 113.68 93.30 228.80 120.33 62.02 102.11 306.43	129,31 151,57 124,38 305,05 160,43 82,69	169,40 156,79 124,38 349,36 179,53 114,10	0.4 -0.1 0.0 2.6 -0.4 3.0	0.88 2.86 1.66 3.04 3.35 1.54	148.60 175.11 143.37 343.17 185.99 92.20	147.18 173.46 142.02 339.92 184.24 91.33	96,46 113,67 93,07 222,77 120,74 50,86 100,62 303,76	128.87 181.87 124.34 297.63 161.31 79.97	168.78 157.03 124.34 340.40 180.27 110.73 100.62 480.04	156.72 185.37 147.07 606.56 209.33 96.03 165.91 621,68	85.54 149.60 107.59 271.42 155.93 57.88 124.54 312.51	99.63 161.56 119.53 274.56 160.73 70.96 145.66 317.77
nland (22)	149,29 174,98 143,60 352,17 185,21 , 95,47 157,17 471,66 1923,87 201,90	0.5 -0.1 0.2 2.8 -0.4 3.5 1.4 0.8 -0.1	148.35 173.88 142.70 349.95 184.04 94.96 156.18 468.69 1917.38 200.83	96.99 113.68 93.30 226.80 120.33 62.02 102.11 306.43 1253.61 131.17	129.31 151,57 124.38 305.05 160.43 82.69 136.14 408.56 1671.36 174.89	169,40 156,79 124,39 349,36 179,53 114,10 102,11 479,93 6963,07 172,42	0.4 -0.1 0.0 2.6 -0.4 3.0 1.5 0.0 0.5	0.88 2.86 1.66 3.04 3.35 1.54 0.79 1.42 0.72 3.26	148.60 175.11 143.37 343.17 185.99 92.20 155.01 467.98 1931.32 200.70	147,18 173,45 142,02 339,92 184,24 91,33 153,55 463,54 1913,08 196,61	96.46 113.67 93.07 222.77 120.74 59.86 100.62 303.78 1253.71 130.29	128.87 181.87 124.34 297.63 161.31 79.97 134.44 405.86 1674.98 174.07	168.78 157.03 124.34 340.40 180.27 110.73 100.62 480.04 6963.07 171.62	156.72 185.37 147.07 606.56 209.33 96.03 165.91 621,68	85.54 149.60 107.59 271.42 155.93 57.88 124.54 312.51	99.63 161.56 119.53 274.56 160.73 70.96 145.66 317.77
nland (22)	149,29174,98143,60352,17185,21, 95,47157,17471,66 1929,87201,90	0.5 -0.1 0.2 2.8 -0.4 3.5 1.4 0.8 -0.1 0.6 1.8	148.35 173.88 142,70 349.95 184.04 94.96 156.18 468.69 1917.38 200.63 64.18	96.99 113.68 93.30 226.80 120.33 62.02 102.11 306.43 1253.61 131.17 41.67	129.31 151,57 124.38 305.05 160.43 82.69 136.14 408.56 1671.36 174.89 55.95	169.40 156.79 124.39 349.36 179.53 114.10 102.11 479.93 6963.07 172.42 59.46	0.4 -0.1 0.0 2.6 -0.4 3.0 1.5 0.0 0.5 2.0	0.88 2.86 1.66 3.04 3.35 1.54 0.79 1.42 0.72 3.26 4.01	148.60 175.11 143.37 343.17 185.99 92.20 155.01 467.96 1831.32 200.70 63.45	147.18 173.46 142.02 339.82 184.24 91.33 153.55 463.54 1913.08 198.61 62.85	96.46 113.67 93.07 222.77 120.74 59.86 100.62 303.78 1253.71 130.29 41.19	128.87 181.87 124.34 297.63 161.31 79.97 134.44 405.86 1674.98 174.07 55.03	168.78 157.03 124.34 340.40 180.27 110.73 100.62 480.04 6963.07 171.62 58.32	156.72 185.37 147.97 506.56 209.33 96.03 165.91 621.68 2647.08 207.43 77.59	85.54 149.60 107.59 271.42 155.93 57.88 124.54 312.51 1431.17 163.30 46.62	99.63 161.66 113.53 274.56 180.73 70.36 145.63 317.77 1491.60 189.67
nland (12), ance (96)	149,29 174,98 143,60 352,17 185,21 , 95,47 157,17 471,66 1923,87 201,90 64,50 193,42	0.5 -0.1 0.2 2.8 -0.4 3.5 1.4 0.5 -0.1 0.6 1.8	148.35 173.88 142,70 349.95 184.04 94.96 156.18 468.89 1917.38 200.63 64.18 192.15	96.99 113.68 93.30 226.80 120.33 62.02 102.11 306.43 1253.61 131.17 41.87 125.66	129,31 151,57 124,38 305,05 160,43 82,69 136,14 408,56 1671,26 174,89 55,95 167,53	169.40 156.79 124.38 349.36 179.53 114.10 102.11 479.93 6983.07 172.42 59.46 189.78	0.4 -0.1 0.0 2.8 -0.4 3.0 1.5 0.0 0.5 2.0 -0.9	0.88 2.88 1.66 3.04 3.35 1.54 0.79 1.42 0.72 3.26 4.01 1.75	148.60 175.11 143.37 343.17 185.99 92.20 155.01 467.96 1831.32 200.70 63.45 194.80	147.18 173.46 142.02 339.92 184.24 91.33 153.55 463.54 1913.08 198.61 62.85 192.96	96.46 113.67 93.07 222.77 120.74 59.86 100.62 303.78 1253.71 130.29 41.19 126.45	128.87 181.87 124.34 297.63 161.31 79.97 134.44 405.88 1674.98 174.07 55.03 168.94	168.78 157.03 124.34 340.40 180.27 110.73 100.62 480.04 6963.07 171.62 58.32 191.46	156.72 185.37 147.97 606.56 208.33 96.03 165.91 621.68 2647.08 207.43 77.59 206.42	85.54 149.60 107.59 271.42 155.93 57.88 124.54 312.51 1431.17 163.30 46.62 150.51	99.63 161.66 113.53 274.56 180.73 70.36 145.63 317.77 1491.66 189.67 47.66 166.21
nland (12), ance (36), smary (58), ong Kong (56), sland (14), pen (469), pen (469), slaysis (96), sevico (18), sevico (18), sevico (18), sevico (14), onway (23),	149,29174,98143,90352,17185,21, 95,47471,66 1923,87201,9064,60193,42	0.5 -0.1 0.2 2.8 -0.4 3.5 1.4 0.5 -0.1 0.6 1.8 -0.7	148.35 173.88 142.70 349.95 184.04 94.96 156.18 468.69 1917.38 200.63 64.18 192.15 336.43	96.89 113.68 93.30 228.80 120.33 62.02 102.11 306.43 1253.61 131.17 41.87 125.66 219.96	129.31 151.57 124.38 305.05 160.43 82.69 136.14 408.56 1671.36 174.89 55.95 167.53 283.28	169.40 156.79 124.39 349.36 179.53 114.10 102.11 479.93 6963.07 172.42 59.46 189.78 242.77	0.4 -0.1 0.0 2.8 -0.4 3.0 1.5 0.0 0.5 2.0 -0.9 -1.4	0.88 2.88 1.66 3.04 3.35 1.54 0.79 1.42 0.72 3.26 4.01 1.75 1.85	148.60 175.11 143.37 343.17 185.98 92.20 155.01 467.98 1831.32 2007.63.45 194.80 343.01	147.18 173.46 142.02 339.92 184.24 81.33 153.55 463.54 1913.08 198.81 62.85 192.96 339.77	96.46 113.67 93.07 222.77 120.74 59.86 100.62 303.76 1253.71 130.29 41.19 128.45 222.67	128.87 181.87 124.34 297.63 161.31 79.97 134.44 405.88 1674.98 174.07 55.03 168.94 297.49	168.78 157.03 124.34 340.40 180.27 110.73 100.62 480.04 6963.07 171.62 58.32 191.46 246.22	156.72 185.37 147.97 506.56 208.33 96.03 165.91 621.68 2647.08 207.43 77.59 206.42 378.82	85.54 149.60 107.59 271.42 155.93 57.88 124.54 312.51 1431.17 163.30 48.62 150.51 238.62	99.6: 161.5: 113.5: 274.5: 160.7: 70.3: 145.6: 317.7: 1491.6: 169.6: 47.6: 166.2:
nland (12), ance (96)	149,29 174,98 143,60 352,17 185,217 95,47 157,17 471,66 1923,87 201,90 64,50 193,42 338,56	0.5 -0.1 0.2 2.8 -0.4 3.5 1.4 0.5 -0.1 0.6 1.8	148.35 173.88 142,70 349.95 184.04 94.96 156.18 468.89 1917.38 200.63 64.18 192.15	96.99 113.68 93.30 226.80 120.33 62.02 102.11 306.43 1253.61 131.17 41.87 125.66	129,31 151,57 124,38 305,05 160,43 82,69 136,14 408,56 1671,26 174,89 55,95 167,53	169.40 156.79 124.38 349.36 179.53 114.10 102.11 479.93 6983.07 172.42 59.46 189.78	0.4 -0.1 0.0 2.8 -0.4 3.0 1.5 0.0 0.5 2.0 -0.9	0.88 2.88 1.66 3.04 3.35 1.54 0.79 1.42 0.72 3.26 4.01 1.75	148.60 175.11 143.37 343.17 185.99 92.20 155.01 467.96 1831.32 200.70 63.45 194.80	147.18 173.46 142.02 339.92 184.24 91.33 153.55 463.54 1913.08 198.61 62.85 192.96	96.46 113.67 93.07 222.77 120.74 59.86 100.62 303.78 1253.71 130.29 41.19 126.45	128.87 181.87 124.34 297.63 161.31 79.97 134.44 405.88 1674.98 174.07 55.03 168.94	168.78 157.03 124.34 340.40 180.27 110.73 100.62 480.04 6963.07 171.62 58.32 191.46	156.72 185.37 147.97 508.58 208.33 96.03 165.91 621.68 2647.08 207.43 77.59 206.42 378.92 280.26	85.54 149.60 107.59 271.42 155.93 57.88 124.54 312.51 1431.17 163.30 48.62 150.51 238.62 175.93	99,6: 161,5: 119,5: 274,5: 160,7: 70,9: 145,6: 317,7: 1491,6: 169,6: 47,6: 166,2: 241,8: 187,7:
nland (32), ance (98)	149,29 174,98 142,60 352,11 95,47 157,17 471,66 1923,87 201,90 64,50 193,42 264,94 264,94 264,94	0.5 -0.1 0.2 2.8 -0.4 3.5 1.4 0.5 -0.1 1.8 -0.7 -1.3 3.3 0.6 -0.8	148.35 173.88 142.70 349.95 184.04 94.96 156.18 468.69 1917.38 200.63 64.18 192.15 336.43 263.27 138.78 224.62	90.99 113.68 93.30 228.80 120.33 62.02 102.11 306.49 1253.61 131.17 41.87 125.66 172.13 90.74 146.99	129,31 151,57 124,38 305,05 82,69 136,14 408,69 136,14 408,69 1671,26 174,89 55,95 167,53 280,28 129,48 120,98 195,87	169,40 156,79 124,39 349,36 179,53 114,10 102,11 479,30 5983,07 172,42 59,46 189,78 242,77 271,88 258,15	0.4 -0.1 0.6 -0.4 3.0 1.5 0.0 0.5 -0.9 -1.4 0.7 -1.1	0.88 2.86 1.66 3.04 1.54 0.79 1.42 0.72 3.26 4.01 1.75 1.65 2.27 4.10	148.60 175.11 143.37 343.17 185.99 92.20 155.01 467.92 1931.92 194.80 343.01 256.83 138.86 228.29	147.18 173.45 142.45 339.92 184.24 91.33 153.55 463.54 1913.03 196.61 62.85 192.95 338.77 254.01 137.56 226.13	96.46 113.67 93.07 222.77 59.86 100.82 303.78 1253.71 130.29 41.19 128.45 222.67 186.46 60.14 148.20	128.87 181.87 124.34 297.63 161.31 79.97 134.44 405.86 1674.98 174.07 55.03 188.94 297.49 222.43 188.00	168.78 157.03 124.34 340.40 180.27 110.73 100.62 480.04 6963.07 171.62 268.32 191.46 248.22 268.47 144.36 260.89	156.72 185.37 147.97 506.56 208.33 96.03 165.91 621.68 2647.08 207.43 77.59 206.42 378.82	85.54 149.60 107.59 271.42 155.93 57.88 124.54 512.51 163.30 48.62 150.51 238.62 175.83 116.33 116.33	99.8 161.5 119.5 274.5 180.7 70.3 145.6 317.7 1491.8 169.8 47.6 166.2 241.8 187.7 131.9
nland (12), ance (18)	149,29 174,98 143,60 352,17 185,217 95,47 471,66 1923,87 201,90 64,50 193,42 338,56 264,94 139,67 236,24	0.5 -0.1 0.2 2.8 -0.4 3.5 1.4 0.5 -0.1 0.6 1.8 -0.7 -1.3 0.6 -0.5	148.35 173.88 142.70 349.95 184.04 94.96 156.18 468.69 1917.38 200.63 64.18 192.15 336.43 263.27 138.78 224.82 25.88	90,99 113,68 93,30 229,80 120,33 62,02 102,11 308,43 1253,61 131,17 41,87 125,66 219,96 172,13 90,74 146,99 99,96	129.31 151,57 124,58 305.05 160.43 82.69 136.14 408.56 1671.26 174.89 55.95 167.53 283.28 229.49 120.98 133.26	169,40 154,79 124,39 349,36 179,53 114,10 102,11 478,93 6983,07 172,42 59,48 1893,78 242,77 271,88 145,35 135,09	0.4 -0.1 0.2.6 -0.4 3.0 1.5 0.0 0.5 -0.9 -1.4 1.3 0.7 -1.1	0.88 2.86 1.66 3.04 3.35 1.54 0.72 3.26 4.01 1.75 1.85 2.27 4.10 1.79	148.60 175.11 143.37 343.17 185.99 92.20 155.01 1931.32 200.70 63.480 343.07 256.43 138.89 228.29 155.53	147.18 173.46 142.02 339.92 184.24 91.33 153.55 188.81 1913.08 198.81 192.96 339.77 254.01 137.56 228.13 154.08	98.46 113.67 93.07 222.77 120.74 59.86 100.82 303.78 1253.71 130.29 41.19 128.45 222.67 188.46 60.14 148.20 100.96	128.87 181.87 124.34 297.63 161.31 70.97 134.44 405.88 1674.88 174.07 55.03 168.94 297.49 222.40 120.43 186.00 134.68	168.78 157.03 124.34 340.40 180.27 110.78 100.62 480.04 6963.07 171.62 58.32 191.46 246.22 268.47 144.52 250.89	156.72 185.37 147.07 506.56 209.33 96.03 165.91 207.43 77.59 206.42 280.26 155.79 230.02	85.54 149.60 107.542 155.93 57.88 124.54 312.51 1431.17 163.30 48.62 175.93 116.38 163.85 163.85 121.14	99.6 161.5 119.5 274.5 180.7 70.3 145.6 317.7 1491.8 47.6 166.2 241.8 187.7 131.0 176.2 123.2
nland (22)	149,29 174,98 143,60 352,17 185,21 95,47 2157,167 471,66 1929,87 64,50 64,50 193,42 338,56 264,94 139,67 26,24 153,85 153,85 153,85	0.5 -0.1 -0.2 2.8 -0.4 -0.5 -0.1 -0.6 -1.8 -0.7 -1.3 -0.6 -0.6 -0.8	148.35 173.80 142.70 349.95 184.04 94.8.89 1917.3 200.83 64.18 192.13 336.43 263.27 138.78 224.82 152.88 169.45	90.99 113.68 93.30 226.80 120.33 62.02 102.11 306.43 1253.61 131.17 121.66 219.66 219.67 172.13 90.74 146.99 93.96 123.86	129,31 151,57 124,58 305,05 160,43 82,68 136,14 408,56 1671,36 1671,36 167,53 283,28 120,98 120,98 195,67 133,26 165,14	169,40 156,78 124,38 349,36 179,53 114,10 102,11 476,93 6983,07 172,42 59,46 189,78 245,38 258,16 135,09 186,45	0.4 -0.1 0.2.6 -0.4 0.0 1.5 0.0 -0.9 -1.4 1.3 0.7 -1.1 -1.2	0.88 2.86 1.68 3.04 3.35 1.54 0.72 3.26 4.01 1.75 1.65 2.27 4.10 1.54 1.79 3.91	148.60 175.11 143.37 343.17 185.99 92.20 155.01 467.96 1931.25 200.70 63.45 194.80 343.01 256.43 138.86 228.23 155.53 191.15	147.18 173.46 142.02 184.24 91.33 153.55 463.54 1913.03 196.85 192.96 339.77 254.01 137.56 228.13 154.03	96.46 113.67 93.07 222.77 120.74 59.86 100.82 303.78 1253.71 130.29 41.19 128.45 222.67 186.46 60.14 146.20 100.98 124.11	128.87 181.87 181.87 1297.63 161.31 70.97 134.44 405.88 1674.98 174.07 55.03 188.94 120.43 180.94 120.43 186.94 186.81	168.78 157.03 124.34 340.40 180.27 110.76 480.04 6963.07 171.62 246.32 191.46 246.25 246.47 144.36 250.89 136.79	156.72 185.37 147.37 508.56 209.33 96.03 165.91 207.43 77.59 206.42 280.26 155.79 230.25 214.96	85.54 149.60 107.59 271.42 155.93 67.85 112.51 1431.17 163.30 48.62 175.83 116.35 116.35 116.35 116.35 116.35 117.32	99.8 161.6 119.7 274.5 180.7 70.9 1451.9 189.8 47.6 166.2 241.8 187.7 131.9 176.2 177.7
nland (22)	149,29 174,98 143,60 352,17 185,21 157,17 471,66 1929,87 264,94 338,56 264,94 139,67 26,24 139,67 26,24 153,85 183,85 183,85 183,85	0.5 -0.1 -0.2 -0.4 -0.5 -0.6 -0.6 -0.7 -1.3 -0.6 -0.6 -0.7 -0.7 -1.3 -0.6 -0.5	148,35 173,88 142,70 349,95 184,96 156,16 488,89 1917,38 200,63 64,16 192,15 336,43 263,27 138,78 254,82 152,86 163,78 163,78 164,85 16	96.99 113.68 93.30 228.80 120.33 62.02 102.11 308.43 1253.61 131.17 41.87 125.66 172.13 90.74 146.99 99.96 123.86 118.53	129,31 151,57 305,05 160,43 82,69 136,14 408,56 1671,39 55,95 167,53 283,26 229,49 120,98 195,87 133,28 165,14 158,08	169.40 156.78 124.38 349.36 179.53 114.10 102.11 479.93 6983.07 172.42 58.46 189.78 242.77 271.88 145.38 258.16 135.09 169.45	0.4 -0.1 0.0 2.6 -0.4 3.0 0.5 2.0 -0.9 -1.4 1.3 0.7 -1.1 -1.2 0.0 -0.8	0.88 2.86 1.66 3.34 3.35 1.54 0.79 1.42 0.79 4.01 1.75 2.27 4.10 1.59 3.91 2.93	148.60 175.11 143.37 343.17 185.99 92.20 155.01 467.96 1931.2 200.70 63.45 194.80 343.01 135.86 228.23 131.15 184.03	147.18 173.46 142.02 339.92 184.24 91.33 153.55 463.54 1913.03 192.96 339.77 254.01 137.56 226.13 154.06 189.38	98.46 113.67 93.507 222.77 120.74 59.86 100.62 303.76 1253.71 130.29 41.19 128.46 80.14 146.20 100.98 124.11 118.47	128.87 181.87 124.34 297.63 161.31 79.97 134.44 405.86 1674.98 55.03 168.94 227.40 120.43 186.04 165.81 159.61	168.78 157.03 124.34 340.40 180.27 110.78 100.62 480.04 6963.07 171.62 58.32 191.46 246.22 268.47 144.52 250.89	156.72 185.37 147.07 506.56 209.33 96.03 165.91 207.43 77.59 206.42 280.26 155.79 230.02	85.54 149.60 107.542 155.93 57.88 124.54 312.51 1431.17 163.30 48.62 175.93 116.38 163.85 163.85 121.14	99.8 161.5 119.7 274.5 180.7 70.9 1451.6 189.8 47.6 189.8 187.7 131.0 176.2 177.7
nland (22) ance (96) ance (96) ang Kong (56) ang Zong (56)	149.29 174.98 143.60 352.17 185.21 95.47 157.17 471.66 193.42 201.90 64.60 193.42 264.94 139.67 26.24 153.85 183.67	0.5 -0.1 -0.2 2.8 -0.4 -0.4 -0.1 -0.6 -0.6 -0.7 -1.3 -0.3 -0.8 -1.1 -0.5 -0.5	148.35 173.83 142.70 349.95 184.04 94.96 156.16 468.69 1917.38 200.63 64.15 336.43 263.27 138.78 224.82 152.86 181.30	96.99 113.68 93.30 226.80 120.33 62.02 102.11 308.43 1253.61 131.17 41.87 125.66 219.96 172.13 90.74 146.99 99.96 123.66 118.53	129,31 151,57 124,58 136,05 160,43 82,69 136,14 408,56 167,26 174,89 55,95 167,53 283,28 120,98 195,67 133,68 165,14 158,08	169,40 158,78 124,53 349,36 178,53 114,10 102,11 479,93 5983,07 172,42 59,88 1893,78 242,77 271,88 258,16 135,09 189,48 145,38 145,38 145,38 145,38 159,81	0.4 -0.1 0.0 2.6 -0.4 3.0 0.5 2.0 -0.9 -1.4 0.7 -1.1 -1.2 0.0 -0.8	0.88 2.86 3.04 3.04 3.154 0.79 1.42 3.26 4.01 1.75 1.85 2.27 4.10 1.54 1.79 3.91 2.93	148.60 175.11 143.37 343.17 185.99 92.20 155.01 467.92 1931.32 200.70 63.45 194.80 343.01 258.48 228.29 155.53 191.15 184.03	147.18 173.46 142.02 339.92 184.24 91.33 153.55 463.54 1913.03 186.61 62.85 192.96 339.77 254.01 137.56 226.13 154.08 189.38 182.29	98.46 113.67 93.57 222.77 120.74 59.85 100.62 303.76 1253.71 130.29 41.19 128.45 222.67 60.14 148.20 100.96 124.11 118.47	128.87 181.87 124.34 297.63 161.31 79.97 134.44 405.86 1674.98 174.07 55.03 168.94 297.40 120.43 186.00 134.68 165.81	168.78 157.03 124.34 340.40 180.27 110.78 100.62 480.04 6963.07 171.82 268.47 131.46 246.22 268.47 144.56 250.89 136.79 189.38 184.03	156.72 185.37 147.97 506.56 209.33 96.03 165.91 621.68 207.43 77.59 206.42 378.52 230.26 155.79 230.02 176.58 214.96	85.54 149.60 107.59 271.42 155.93 57.88 124.54 312.51 163.30 48.62 175.93 160.51 170.92 178.95 171.95	99.8 161.5 119.5 274.5 180.7 70.3 146.6 317.7 149.8 47.6 166.2 241.8 187.7 131.0 170.2 123.2 177.7 180.9
nland (22) ance (98) ance (98) ance (98) ance (98) ance (58) ance (58) by (60)	149.29 174.98 143.60 352.17 185.21 95.47 157.17 471.66 1922.87 64.60 193.42 338.56 264.94 153.85 153.85 182.45	0.5 -0.1 -0.2 2.8 -0.4 -0.5 -0.1 -0.6 -0.8 -0.7 -1.3 -0.3 -0.8 -1.1 -0.5 -0.5	146.35 173.88 142.70 349.95 184.96 156.16 488.99 1917.36 200.83 203.27 138.78 263.27 138.78 253.27 152.88 169.45 151.30	96.99 113.68 93.30 226.80 120.33 62.02 102.11 306.49 1253.61 131.17 41.87 125.66 219.96 172.13 90.74 144.99 93.96 123.68 118.53 118.02 138.79	129,31 151,57 124,38 305,05 160,43 82,69 136,14 408,56 1671,26 1671,26 167,53 283,26 120,98 120,98 195,67 133,26 165,14 156,08	169.40 158.79 124.39 349.36 179.53 114.10 102.11 479.93 8983.07 172.42 594.46 189.78 242.77 271.88 145.38 258.15 135.09 189.45 189.45 189.45	0.4 -0.1 -0.0 2.6 -0.4 3.0 1.5 -0.0 -0.5 2.0 -0.9 -1.4 1.3 -1.1 -1.2 0.0 -0.8	0.88 2.86 1.66 3.04 3.35 1.54 0.79 1.42 3.26 4.01 1.75 1.65 2.27 4.10 1.54 1.79 3.91 2.93	148.60 175.11 143.37 343.17 185.99 92.20 155.01 1871.92 200.70 63.45 194.80 343.01 256.43 132.89 155.53 191.15 184.03	147.18 173.46 142.42 339.92 184.24 91.33 153.55 483.54 1913.08 198.81 62.85 192.96 339.77 254.01 137.56 226.13 154.06 189.38 182.29	96.46 113.67 93.07 222.77 120.74 50.86 100.82 303.78 1253.71 130.29 41.19 126.45 222.67 186.46 60.14 148.20 100.96 124.11 119.45 130.38	128.87 181.87 124.34 297.63 161.31 70.97 134.44 405.88 174.07 55.03 120.43 186.94 120.43 186.00 134.68 165.81 159.81 159.81	168.78 157.03 124.34 340.40 180.27 110.62 480.04 6963.07 171.62 58.32 191.46 246.22 268.47 144.56 260.69 136.79 189.38 184.03 159.88 214.61	156.72 185.37 147.57 506.56 209.33 165.91 621.68 207.43 77.59 206.42 280.26 155.79 230.02 176.58 214.96 179.58	85.54 149.60 107.59 271.42 155.93 57.88 124.54 312.51 1431.17 163.30 46.62 175.93 116.35 121.14 170.92 178.95 141.58	99.83 161.55 119.57 274.52 180.77 70.33 145.63 317.77 1491.63 166.2 241.88 187.73 170.2 170.2 177.7 180.9
nland (22)	149.29 174.98 143.60 352.17 185.21 95.47 157.17 201.90 84.50 193.42 338.56 264.94 153.85 182.45 183.85 182.45 164.35 169.35 213.63	0.5 -0.1 0.2 2.8 -0.4 0.5 -0.1 0.6 1.8 -0.7 -1.3 3.3 0.6 -0.8 -0.8 -0.5 -0.5	148.36 173.88 142.70 349.95 184.96 156.16 488.89 1917.38 200.63 64.18 192.15 336.43 224.82 152.88 169.45 151.30	96.99 113.68 93.30 228.80 120.33 62.02 102.11 306.43 1253.61 131.17 41.87 125.66 219.96 172.13 90.74 148.99 93.96 123.68 118.53	129.51 151,539 305.05 160.43 822.68 136.14 408.56 1671.36 167.53 283,26 229.49 120.98 195.67 133,26 156.14 158.08	169.40 156.78 124.59 349.36 179.53 114.10 102.11 479.93 6983.07 172.42 59.46 189.78 242.77 271.88 145.38 145.38 145.38 145.38 145.38 1213.65 189.45 111.52	0.4 -0.1 -0.8 -0.4 -0.9 -1.5 -0.9 -1.4 -0.8 -0.8 -0.1 -0.8	0.88 2.86 3.04 3.04 3.54 0.79 0.72 3.26 1.75 1.85 1.75 4.10 1.54 1.79 3.91 2.93 2.89 1.36	148.60 175.11 143.37 343.17 185.99 92.20 155.01 147.96 1931.32 200.70 63.45 194.80 343.01 138.86 228.29 155.53 191.15 184.03	147.18 173.46 142.02 339.82 184.24 91.33 153.55 1913.08 188.81 162.85 192.95 339.77 254.01 137.56 28.13 159.38 182.29	96.46 113.67 93.67 222.77 120.74 59.46 100.62 303.76 1253.71 130.29 41.19 128.45 222.67 186.46 60.14 148.20 100.96 124.11 119.47	128.87 181.87 124.34 297.63 161.31 79.97 134.44 405.86 1674.98 174.07 55.03 168.94 222.40 120.43 186.00 120.43 185.81 159.81 146.80	168.78 157.03 124.34 340.40 180.27 110.73 100.62 480.04 480.04 191.46 246.22 268.47 144.96 260.89 189.38 184.03 159.68 214.61 108.95	156.72 185.37 147.37 608.58 209.33 98.03 165.91 621.88 2647.08 207.43 277.43 278.82 280.26 155.79 230.02 179.58 214.96 179.58 214.96 179.58 220.68 179.58	85.54 149.60 271.42 155.93 57.88 124.54 312.51 1431.17 163.30 48.62 150.51 163.85 163.85 178.95 141.58 151.54 141.58 153.85 141.58 141.58	99.8 161.5 119.5 274.5 180.7 145.6 317.7 1491.8 166.2 241.8 187.7 131.0 177.7 180.9 147.0 168.9
nland (22)	149,29 174,98 143,60 352,17 185,21 95,47 157,17 271,90 192,27 264,94 138,67 264,94 153,85 182,45 182,45 182,45 182,45 182,45 182,45 182,45 182,45 182,45	0.5 -0.1 -0.2 2.8 -0.4 -0.5 -0.1 -0.6 -0.8 -0.7 -1.3 -0.3 -0.8 -1.1 -0.5 -0.5	146.35 173.88 142.70 349.95 184.96 156.16 488.99 1917.36 200.83 203.27 138.78 263.27 138.78 253.27 152.88 169.45 151.30	96.99 113.68 93.30 226.80 120.33 62.02 102.11 306.49 1253.61 131.17 41.87 125.66 219.96 172.13 99.96 123.68 118.53 118.02 138.79	129,31 151,57 124,38 305,05 160,43 82,69 136,14 408,56 1671,26 1671,26 167,53 283,26 120,98 120,98 195,67 133,26 165,14 156,08	169.40 158.79 124.39 349.36 179.53 114.10 102.11 479.93 8983.07 172.42 594.46 189.78 242.77 271.88 145.38 258.15 135.09 189.45 189.45 189.45	0.4 -0.1 -0.8 -0.4 -0.9 -1.4 -0.9 -1.4 -1.1 -1.2 -0.8	0.88 2.86 1.66 3.04 3.35 1.54 0.79 1.42 3.26 4.01 1.75 1.65 2.27 4.10 1.54 1.79 3.91 2.93	148.60 175.11 143.37 343.17 185.99 92.20 155.01 1871.92 200.70 63.45 194.80 343.01 256.43 132.89 155.53 191.15 184.03	147.18 173.46 142.42 339.92 184.24 91.33 153.55 483.54 1913.08 198.81 62.85 192.96 339.77 254.01 137.56 226.13 154.06 189.38 182.29	96.46 113.67 93.07 222.77 120.74 59.86 100.82 303.78 1253.71 130.29 41.19 128.45 222.67 188.46 60.14 146.20 100.98 124.11 118.47	128.87 181.87 124.34 297.63 161.31 70.97 134.44 405.88 174.07 1674.98 174.07 120.43 186.00 134.68 159.81 146.80 146.80 146.80 146.80 146.80	168.78 157.03 124.34 340.40 180.27 110.78 100.62 480.04 6963.07 171.82 268.47 144.56 270.89 136.79 189.38 184.03 159.68 214.61 108.95 1108.95	156.72 185.37 147.07 608.56 209.33 96.03 165.91 62647.08 207.43 77.64 230.02 215.79 230.02 176.56 214.96 179.58 220.60 179.58	85.54 149.60 107.59 271.42 155.93 57.86 124.54 312.51 163.30 48.62 175.93 160.81 170.92 178.95 141.58 141.58 141.58 141.58	99.8 161.5 119.5 274.5 180.7 70.3 145.6 317.7 1491.9 168.2 241.8 187.7 131.0 176.2 177.7 180.9 147.0 148.9 148.9
nland (22), ance (36)	149,29 174,98 142,60 352,17 185,21 95,47 157,17 201,90 64,50 193,42 338,56 193,67 264,94 153,85 169,35 169,35 164,36 164,36 164,36 164,36 164,36 164,36 164,36 164,36 164,36 164,36 164,36 164,36 164,36 164,36 164,36 164,36	0.5 -0.1 0.2 2.8 -0.4 3.5 1.4 0.5 -0.1 0.6 -0.7 -1.3 3.3 0.6 -0.5 -0.5 -0.5 -0.5	148.36 173.88 142.70 349.95 184.96 156.16 488.89 1917.38 200.83 64.18 192.15 336.43 264.82 152.85 168.45 151.30 168.29 212.29 178.00 155.29 178.00 155.29	96.99 1112.89 93.30 229.80 120.33 62.02 102.11 306.49 125.66 172.13 90.74 146.99 99.96 123.65 118.53 110.02 136.79 106.07	129.31 151,52 305.05 180.43 82.69 136.14 408.56 1671.36 174.89 55.95 167.53 283.26 229.49 195.67 133.26 165.14 156.06 146.68 146.68	169.40 156.78 124.53 349.36 178.51 114.10 102.11 478.93 172.42 5983.07 172.42 6983.78 242.77 271.88 242.77 271.88 145.38 145.38 145.38 145.38 145.38 145.38 145.38 145.38 145.38 145.38 145.38 145.38 145.38 145.38 145.38 145.38 145.38 145.38	0.4 -0.1 -0.8 -0.4 -0.9 -1.5 -0.9 -1.4 -0.8 -0.8 -0.1 -0.8	0.88 2.86 3.04 3.04 3.154 0.79 1.40 3.26 4.01 1.75 1.65 2.27 4.10 1.54 1.79 2.89 1.32 1.85	148.60 175.11 143.37 343.17 185.99 92.20 155.01 467.98 1831.22 200.32 200.32 250.32 250.32 138.86 228.29 155.53 131.15 184.03 184.03 184.03 184.03 184.03 184.03 184.03 184.03 184.03 184.03 184.03 184.03 184.03 185.00	147.18 173.46 142.02 339.92 184.24 91.33 153.55 463.54 191.30 198.61 192.96 339.77 254.01 137.56 226.13 154.06 189.38 182.29 167.57 272.08 160.58 160.58	96.46 113.67 93.67 222.77 120.74 59.46 100.62 303.76 1253.71 130.29 41.19 128.45 222.67 186.46 60.14 148.20 100.96 124.11 119.47	128.87 181.87 124.34 297.63 161.31 79.97 134.44 405.86 1674.98 174.07 55.03 168.94 222.40 120.43 186.00 120.43 185.81 159.81 146.80	168.78 157.03 124.34 340.40 180.27 110.73 100.62 480.04 480.04 191.46 246.22 268.47 144.96 260.89 189.38 184.03 159.68 214.61 108.95	156.72 185.37 147.37 608.58 209.33 98.03 165.91 621.88 2647.08 207.43 277.59 206.42 378.82 230.02 175.79 230.02 179.58 214.96 179.58 220.03 179.58	85.54 149.60 271.42 155.93 57.88 124.54 312.51 1431.17 163.30 48.62 150.51 163.85 163.85 178.95 141.58 151.54 141.58 153.85 141.58 141.58	99.8 161.5 119.5 274.5 180.7 70.3 145.6 317.7 1491.9 168.9 47.6 187.7 123.2 177.2 123.2 177.0 168.9 149.0 147.0
nland (32), ance (38)	149.29 174.98 142.60 352.17 185.21 195.47 157.17 157.17 201.90 64.50 193.42 338.56 264.94 153.85 182.45 182.45 182.45 169.35 164.46 179.13 168.35 169.35	0.5 -0.1 0.2 2.8 -0.4 3.5 1.4 0.1 0.6 -0.7 -1.3 -0.3 -0.5 -0.5 -0.5 -0.8 -0.8 -0.8 -0.8 -0.1 -0.8 -0.1 -0.8 -0.1 -0.1 -0.1 -0.1 -0.1 -0.1 -0.1 -0.1	148.36 173.88 142.70 349.95 159.18 468.69 1917.38 200.83 264.18 132.15 336.43 283.27 138.72 152.88 183.60 161.29 163.29 163.29 163.29 178.00 152.90 152.90 153.75	96.99 1112.89 93.30 229.80 120.33 62.02 102.11 306.49 125.66 172.13 90.74 146.99 99.96 123.65 118.53 110.02 136.79 106.67 116.39 99.91 155.14	129.51 151.57 124.58 305.05 160.43 408.56 1671.26 174.89 55.85 167.53 283.26 229.49 120.98 120.98 125.67 133.26 144.68 165.05 144.48 155.16 133.25 144.58	169.40 156.79 124.39 349.36 179.53 1714.10 102.11 478.93 598.07 172.42 59.46 189.78 242.77 271.88 145.38 258.15 135.09 180.45 182.45 111.52 130.41 178.78 141.15 131.54 178.78	0.4 -0.1 -0.6 -0.4 -0.9 -0.9 -1.4 -1.3 -0.8 -0.8 -0.8 -0.8 -0.8	2.86 3.04 3.05 1.54 0.79 1.26 4.01 1.75 1.85 2.20 1.54 1.75 2.93 2.89 1.326 1.85 2.91 2.93 2.91 2.93	148.60 175.11 143.37 343.17 185.99 92.20 155.01 1851.92 200.32 200.32 200.32 258.43 138.86 228.29 155.53 191.15 184.03 18	147.18 173.46 142.02 339.92 184.24 91.33 153.55 483.54 1913.03 198.91 192.85 192.95 254.01 137.56 189.38 182.29 167.57 212.68 161.68 163.64 178.69 152.05	96.46 113.67 93.07 222.77 120.74 59.86 100.62 303.78 1253.71 130.28 41.19 128.45 22.67 188.46 80.14 148.20 100.96 124.11 119.88 139.36 105.30 107.11 117.24 99.55	128.87 181.87 124.34 297.63 161.31 79.97 134.44 405.88 174.07 56.03 188.94 297.49 222.43 188.00 134.68 159.81 146.80 145.81 159.81 146.80 146.	168.78 157.03 124.34 340.40 180.27 110.78 100.62 480.04 6963.07 171.82 268.47 131.46 264.22 268.47 144.95 271.46 189.38 184.03 159.68 214.61 108.98 141.02 141.02 141.02 141.02 141.03 1	156.72 185.37 147.37 508.58 208.53 96.03 165.91 621.88 2647.08 207.49 206.42 378.52 214.96 175.58 175.58 175.58 175.58 175.58 175.58	85.54 149.69 271.42 155.93 57.86 124.54 312.51 1431.17 163.30 48.62 175.83 163.55 175.83 163.55 176.85 176.85 141.58 141.58 141.58	99.8 161.95 274.8 180.7 70.9 146.6 317.7 1491.8 166.2 241.8 187.7 131.0 123.2 177.7 180.9 149.0 168.9 149.0 147.6 149.0 149.0
nland (22)	149,29 174,98 142,60 352,17 185,21 95,47 157,17 201,90 64,60 193,42 193,42 193,45 193,4	0.5 -0.1 0.2 2.8 -0.4 3.5 1.4 0.5 -0.1 0.8 -0.7 -1.3 -0.5 -0.5 -0.5 -0.5 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8	148.36 173.88 142.70 349.95 184.96 156.16 488.99 1917.38 200.83 182.15 336.43 263.27 138.78 263.27 138.78 263.27 152.88 189.45 151.30 163.29 163.42 163.29 178.00 152.90 235.75 166.24	96.89 113.88 93.30 228.80 120.33 62.02 102.11 303.43 1253.61 131.17 172.13 90.74 146.99 93.96 123.66 118.53 118.02 118.79 106.05 116.30 99.97 154.14 106.09	129.51 151.57 124.59 305.05 160.43 408.56 1671.26 1671.26 1671.26 1671.26 1671.26 165.14 158.05 148.68 148.68 148.68 144.45 144.08 155.16 144.08	169.40 156.78 124.39 349.36 179.53 114.10 102.11 479.93 6983.07 172.46 189.78 242.77 271.88 145.38 258.16 135.09 169.45 162.45 111.52 111.52 111.52 111.52 111.52 111.52 111.52 111.52 111.52	0.4 -0.1 -0.8 -0.4 -0.9 -1.3 -0.9 -1.4 -1.2 -0.8 -0.8 -0.8 -0.8 -0.8	0.88 2.66 3.04 3.54 0.79 3.20 1.75 1.05 1.79 3.91 2.83 1.08 1.89 2.29 2.29 1.88	148.60 175.11 143.37 343.17 185.99 92.20 155.01 467.98 1831.32 200.70 134.80 343.01 138.88 228.83 155.53 191.15 184.03 184.03 184.03 182.21 185.20 185.21 185.21 185.21 185.21 185.21 185.21 185.21 185.21 185.21 185.21 185.21 185.21 185.21 185.21	147.18 173.46 142.02 339.92 184.24 91.33 153.55 463.54 1913.03 198.81 62.85 192.96 339.77 254.01 137.56 226.13 154.00 189.38 182.29 167.57 172.68 160.68 163.68	96.46 113.67 93.57 222.77 120.74 59.86 100.62 303.78 1253.71 130.29 41.19 126.45 222.67 100.96 124.11 119.45 109.88 130.38 105.30 107.71 107.71	128.87 181.87 124.34 297.63 161.31 79.97 134.44 405.86 1674.98 1674.98 168.94 297.49 120.43 186.09 134.68 165.81 159.81 159.81 159.81 140.69 143.10 151.63 140.69 143.10 143.90	168.78 157.03 340.40 180.27 110.73 100.62 480.04 6963.07 171.25 58.32 191.46 246.29 136.79 189.38 184.03 159.46 129.36 141.02 214.61 109.96 129.31 180.25 141.02 214.57 132.44	156.72 185.37 147.37 508.58 208.53 98.03 165.91 621.88 2647.08 207.49 208.42 378.52 214.96 175.58 124.96 175.58 195.04 170.58 195.04 170.58 195.04 170.58 195.04 170.58	85.54 149.69 271.42 155.93 57.88 124.54 312.51 1431.17 163.80 175.83 163.85 175.83 176.85 177.83 141.58 175.87 141.58 175.87 141.58 175.87 141.58 175.87 141.58 175.87 141.58 175.87 141.58	99.8 161.95 274.5 180.7 70.9 146.6 317.7 1491.6 166.2 241.8 167.7 180.9 149.0 149.0 149.0 149.0 149.0 149.0 149.0
nland (22), ance (36)	149,29 174,98 142,60 352,17 185,21 195,47 157,17 201,90 45,00 193,42 338,56 254,94 139,67 264,94 153,85 182,45 169,35 164,46 166,34 168,34 168,34 168,34 179,13 179,13 179,13 179,13 179,13 179,13 179,13 179,13 179,13 179,13	0.5 -0.1 -0.2 2.8 -0.4 3.5 -0.1 -0.6 -0.8 -0.7 -1.3 -0.6 -0.8 -0.1 -0.5 -0.8 -0.1 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8	148.36 173.88 142.70 349.95 184.96 158.16 488.69 1917.38 200.83 182.15 338.43 224.82 152.83 168.26 212.29 163.42 165.29 175.90 235.75 166.24 183.86	96.99 113.80 93.30 228.80 120.33 62.02 102.11 306.43 1253.61 131.17 41.87 172.566 219.96 172.13 90.74 146.99 118.53 110.02 136.79 106.85 106.07 116.38 99.97 154.14 106.69	129.51 151,57 124.58 305.05 160.43 822.68 136.14 408.56 167.136 167.53 200.26 229.49 120.98 195.87 133.28 165.14 158.08 142.45 144.08 155.16 142.45 144.08 155.16 142.45 144.08 145.16 144.08 145.16 144.08 145.16 144.08 145.16 144.08 145.16 144.08 145.16 144.08	169.40 154.78 124.39 349.36 179.53 114.10 102.11 476.93 6983.07 172.42 59.46 189.78 242.77 271.88 145.38 145.38 124.51 135.09 169.45 135.04 111.52 130.41 141.18 213.26 141.18 215.97 133.59 144.94	0.4 -0.10 -0.8 -0.40 -0.9 -1.4 -0.9 -1.4 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8	2.88 2.86 3.04 3.35 4.75 3.26 1.75 2.87 4.10 1.54 2.93 2.89 1.89 1.89 1.89 1.89 1.89 1.89 1.89 1	148.60 175.11 143.37 343.17 185.99 92.20 155.91 187.96 1931.32 200.70 63.45 194.80 343.01 155.53 191.15 184.03 184.03 185.27 214.21 185.20 185.30 185.31 186.37 186.92 186.97 186.92 186.97	147.18 173.46 142.02 339.82 184.24 91.33 153.55 182.96 339.77 254.01 137.56 228.13 154.05 189.38 182.29 167.57 212.68 163.44 173.69 152.05 231.96 164.37	96.46 113.67 93.57 222.77 120.74 59.86 100.62 303.76 1253.71 130.29 40.14 186.46 60.14 148.20 100.96 124.11 119.47 109.88 139.36 105.30 107.11 117.24 99.65 782.01 107.71 109.88	128.87 181.87 124.34 297.63 161.51 79.97 134.44 405.86 1674.98 168.94 120.43 188.00 120.43 188.00 143.68 165.81 149.69 143.10 156.63 143.10 156.63 143.10 144.69 143.10 144.69 145.66 145.66 146.80	168.78 157.03 124.34 340.40 180.27 110.73 100.62 480.04 480.04 480.04 191.46 248.22 258.47 144.36 250.89 189.38 184.03 159.68 214.61 109.95 149.31 140.95 141.02 219.57 132.44 144.58	156.72 185.37 147.37 606.56 209.33 96.03 165.91 621.88 2647.08 207.43 77.59 206.42 378.32 230.02 179.58 214.96 179.58 214.96 179.58 170.78 170.78 170.78 170.78 170.78 170.78 170.78 170.78 170.78	85.64 149.69 271.42 155.98 124.54 312.51 1431.17 163.30 48.62 175.93 163.55 173.95 141.58 153.85 173.95 141.58 153.85 173.95 141.58 153.85 153	99.8 161.5 119.5 274.5 160.7 70.9 146.6 189.8 166.2 241.8 166.2 241.8 177.7 180.9 149.0 148.1 127.8 182.6 148.6 148.6
nland (C2)	149.29 174.98 142.60 352.17 185.21 185.21 195.47 157.17 201.90 64.50 193.42 338.56 264.94 153.85 182.45 169.35 182.45 169.35 169.35 169.35 169.35 169.35 169.35 169.35 169.35 169.35 169.35 169.35 169.35	0.5 -0.1 0.2 2.8 -0.4 3.5 1.4 0.5 -0.1 0.8 -0.7 -1.3 -0.5 -0.5 -0.5 -0.5 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8	148.36 173.88 142.70 349.95 184.96 156.16 488.99 1917.38 200.83 182.15 336.43 263.27 138.78 263.27 138.78 263.27 152.88 189.45 151.30 163.29 163.42 163.29 178.00 152.90 235.75 166.24	96.89 113.88 93.30 228.80 120.33 62.02 102.11 303.43 1253.61 131.17 172.13 90.74 146.99 93.96 123.66 118.53 118.02 118.79 106.05 116.30 99.97 154.14 106.09	129.51 151.57 124.59 305.05 160.43 408.56 1671.26 1671.26 1671.26 1671.26 1671.26 165.14 158.05 148.68 148.68 148.68 144.45 144.08 155.16 144.08	169.40 156.78 124.39 349.36 179.53 114.10 102.11 479.93 6983.07 172.46 189.78 242.77 271.88 145.38 258.16 135.09 169.45 162.45 111.52 111.52 111.52 111.52 111.52 111.52 111.52 111.52 111.52	0.4 -0.1 -0.8 -0.4 -0.9 -1.3 -0.9 -1.4 -1.2 -0.8 -0.8 -0.8 -0.8 -0.8	0.88 2.66 3.04 3.54 0.79 3.20 1.75 1.05 1.79 3.91 2.83 1.08 1.89 2.29 2.29 1.88	148.60 175.11 143.37 343.17 185.99 92.20 155.01 467.98 1831.32 200.70 134.80 343.01 138.88 228.83 155.53 191.15 184.03 184.03 184.03 182.21 185.20 185.21 185.21 185.21 185.21 185.21 185.21 185.21 185.21 185.21 185.21 185.21 185.21 185.21 185.21	147.18 173.46 142.02 339.92 184.24 91.33 153.55 463.54 1913.03 198.81 62.85 192.96 339.77 254.01 137.56 226.13 154.00 189.38 182.29 167.57 172.68 160.68 163.68	96.46 113.67 93.57 222.77 120.74 59.86 100.62 303.78 1253.71 130.29 41.19 126.45 222.67 100.96 124.11 119.45 109.88 105.30 107.71 117.24 99.85 752.01 107.71	128.87 181.87 124.34 297.63 161.31 79.97 134.44 405.86 1674.98 1674.98 168.94 297.49 120.43 186.09 134.68 165.81 159.81 159.81 159.81 140.69 143.10 151.63 140.69 143.10 143.90	168.78 157.03 340.40 180.27 110.73 100.62 480.04 6963.07 171.85 246.22 250.89 136.79 189.38 184.02 136.79 189.38 110.25 141.02 213.57 132.44 144.68 147.68	156.72 185.37 147.37 508.58 208.53 98.03 165.91 621.88 2647.08 207.49 208.42 378.52 214.96 175.58 124.96 175.58 195.04 170.58 195.04 170.58 195.04 170.58 195.04 170.58	85.54 149.69 271.42 155.93 57.88 124.54 312.51 1431.17 163.80 175.83 163.85 175.83 176.85 177.83 141.58 175.87 141.58 175.87 141.58 175.87 141.58 175.87 141.58 175.87 141.58 175.87 141.58	99.63 161.66 113.53 274.56 180.73 70.36 145.63 317.77 1491.60 189.67

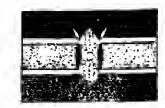
NOTICE TO THE HOLDERS OF US\$ 500,000,000 CS HOLDING FINANCE B.V. 4%% Subordinated Convertible Bonds Due 2002 Guaranteed on a Subordinated Basis by, and Convertible into Bearer Shares GROUP COMPANIES: of CS Holding, Zurich (incorporated with limited liability in Switzerland) CREDIT SUISSE The Board of Directors of CS Holding will submit a proposal to the Annual Meeting of Shareholders on 30 May 1994 to conditionally increase the capital by an amount not to exceed Sfr 204,974,320 in par value to secure shareholder warraots issued to existing shareholders. If the Annual Meeting of Shareholders spproves this proposal, holders of bearer SWISS VOLKSBANK shares and registered shares of CS Holding will receive per 6 June 1994 one shareholder warrant series IA for each bearer share of CS Holding, and one shareholder warrant series NA for each registered share of CS Holding, free of all LEU HOLDING LTD. The new shares, which will be issued as the shareholder warrants are exercised, are to be fully paid up in accordance with the terms to be announced for the warrants oo 30 May 1994. In coonection with this year's issue of shareholder warrants, CS Holding informs holders of the subordioated coovertible honds specified shove that they may still CS FIRST BOSTON obtain CS Holding bearer shares which eotitle them to receive shareholder warrants by exercising their conversion rights by 20 May 1994, 4.00 p.m. at the latest. Holders of these bonds who choose to exercise their conversioo rights must deliver FIDES INFORMATIK their conversion notice, the bonds and any payments required to the conversion agent (Credit Suisse) designated in the prospectus by the above date. In conversions carried out between 24 May and 26 May 1994 inclusive, the holders of the bonds being converted are not entitled to receive shareholder CS LIFE warrants and their holdings are not protected from dilution. No bonds may be cooverted from 27 Msy to 16 June 1994 (second date provisional). There will be a reduction in the conversion price, which is presently Sfr 442.45 per bearer share, or conversions which are carried out subsequent to 16 June 1994. It is anticipated that the reduced conversion price will be published in the news-ELECTROWATT LTD. papers designated for this purpose on 16 June 1994. For CS Holding: Zurich, 10 May 1994 CREDIT SUISSE 4% 6 CS Holding Finance B. V. Swim Securities No 536 802 Subordinated Convertible CH0005368029 US\$ boads 1992-2002 Euroclean 4019149

H. HOVE

DOUTH AFRICA

DEDERS OF

 $\left\| e^{s_{A}t_{A}}_{A}\right\| M_{A}\sqrt{t_{B_{\alpha}}}$



SOMALIA

INDIAN

OCEAN

ETHIOPIA

An African test case for good government

In spite of the legalisation of opposition parties and the implementation of economic reforms, Kenya is still very much on probation, writes Leslie Crawford

that the image which it presents to the world is often dis-

The one-party state legalised the opposition and contested elections in 1992, while arguing It did not believe in democracy. President Daniel arap Moi rebelled against the dictates of the International Monetary Fund last year, and then implemented a comprehensive set of economic reforms which have won plaudits from local and foreign investors. A new team at the treasury is attempting to stem the misuse of public funds, but the culprits remain politically powerful and above the law.

The Kenyan government shelters hundreds of thousands of refugees from conflict in neighbouring countries, hnt tolerates the practice of ethnic cleansing in its own backyard.

It is not always easy to deci-pher these conflicting signals, in part because the international community's relations with Kenya have also changed. More than any other country in Africa, Kenya is being held as a test case for new donor policies linking aid to good

Since November 1991, when the World Bank, IMF and donor governments decided to withhold bundreds of millions of dollars of financial assistance as a protest against mounting corruption and against Kenya's political and economic failings, this lapsed African role model has been on

The aid freeze proved to be the catalyst for much of the change that ensued. A few days after the landmark donor

Kenya has undergona soch Moi legalised opposition par-radical changes in the 1990s ties. In the alections which followed in December 1992, President Moi and his Kenya African National Union (Kanu) party defeated a divided oppo-

> The elections, however. failed to deliver the promise of democracy. Kanu retains an absolute grip oo power, which it wields arbitrarily. Since the advent of the new multi-party era, police have developed a worrying fondness for arrest ing and harassing opposition members of parliament. Twen-ty-five MPs - almost a third of the opposition force - have been inside Kenyan jails in the past year. Their most frequent offence has been to hold meetings in their constituencies in defiance of police bans.

IN THIS SURVEY

The Economy, Page 2 Companies feel the effect of reforms, Page 4 Privatisation, Page 5 Agriculture, Page 8 Export proces zones, Page 7 Impact of Alds, Page 8

Kenya's lively and indepen dent press is also under attack for reporting on ethnic clashes in the populous Rift Valley - a highly sensitive conflict pitting President Mot's Kalenjin clan and other pastoral tribes against Kiknyu settlers, the largest ethnic group in Kenya. The clashes have caused 1,500 deaths and displaced 800,000 people since 1991, according to church and human rights

The government, meanwhile, is trying to impose a blackout meeting in Paris, President on news about the troubled because of the lack of essential

The government hlames Kenya's recent social turmoil on the multi-party system it adopted under duress. President Moi, a reluctant convert to democracy, believes western-style political parties cannot work in Africa because of their tendency to fragment on tribal lines.

But whereas the new political sceoario in Kenya has thrown the tribal factor into greater relief, the fissures were already evident under one-party rule. Since 1978, President Moi has governed with a coalition of minority Rift Valley tribes, who resected Kikuyu domination under the late Jomo Kenyatta, Kenya's first president, and fear a revival of Kikuyu power. While tribal arithmetic and

mistrust have prevented genuine political dialogue between government and opposition, the arithmetic of dwindling aid dollars has made talking with Kenya's distrustful donors an absolute imperative.

Kenyan officials are reluctant to spell out the cost of the two-year aid freeze but it can be measured by the slump in economic growth, the decline per capita incomes and in the collapse of social services. During the first year of the aid freeze, Kenya recorded its lowest growth rate since independence: a meagre 0.4 per cent in

The economy remained stag-

nant in 1993, while the govern-ment ran up \$700m in arrears on its external debt repayments. Unemployment affects 27 per cent of the urban population. In Kenya's state hospi--tals, operating theatres lie idle



drugs and surgical equipment. Children are being denied education because parents cannot afford school fees. Roads, railways, power and water systems have fallen into disre-

In addition, the run up to the December 1992 elections saw soma very curious financial transactions thought to have benefited some who were uncertain of their political future. New domestic banks were licensed to finance the campaigns of Kanu politicians. Large quantities of gold and diamonds were allegedly exported in order to qualify for generous government rebates. Financial irregularities multiplied after the elections, involving the Central Bank in the provision of billions of shillings of unsecured loans to "political banks".

By the time Mr Musalia Mudavadi, appointed finance minister in January 1993, was

0.4 227.2 268.4 332.6 16.6 27,3 45.1 67.3 78.5 65.8 70.8 93.4 ney supply (Ke billion) 74.3 99.3 124.8 32.5 67.3 77.2

able to stop the rot, the cost to the exchequer had been estimated by independent auditors at Ks30hn (\$430m), or approximately 10 per cent of the country's gross domestic product. It was the higgest sum to go missing from public funds in

Kenya's history. Heads rolled at the Central Bank, but, to date, no-one has been charged with financial wrongdoing.

The enormity of the financial losses, however, appears to have joited Kenya's decision makers to their senses. A rapprochement was sought with the World Bank and IMF. A new governor, Mr Micah Cheserem, was appointed to the Central Bank. By mid-1993, Kenya was back on a serious reform track. Mr Cheserem, a former senior accountant with Unilever, concentrated on tightening banking regulations and supervision. At the Treasury, Mr Mudavadi worked on the most rapid deregulation of an economy Africa has ever seen. Import licences were scrapped. The Kenya shilling was devalued and then Doated. Exporters were allowed to keep their foreign exchange earnings. Restrictions on the repatriation of profits and divideods were lifted, All price controls, with the exception of petroleum products, were abolshed. The government opened

to private traders the import

UGANDA

and marketing of maize, Ken-ya's staple foodstuff. The private sector, long suffocated by government controis, is feeling rather giddy in the newly liberalised environment. Exports responded to the devaluation of the shilling. surging by 15 per cent last year to \$1.1bn. Local manufacturers no longer have to queue and bribe to obtain import licences and rationed foreign exchange. A majority of multinationals polled by the East Africa Asso-

ciation are plauning significant have won Mr Mudavadi and Mr Cheserem a devoted following among Nairohi hankers and businessmen, In November 1993, Kenya's dynamic duo were rewarded with the restoration of fast-disbursing bal-

TANZANIA

Inside government, however Mr Mudavadi is battling a formidable coalition of opponents of reform, who resent the loss of patronage implicit in the

ance of payments aid and encouraging words of support

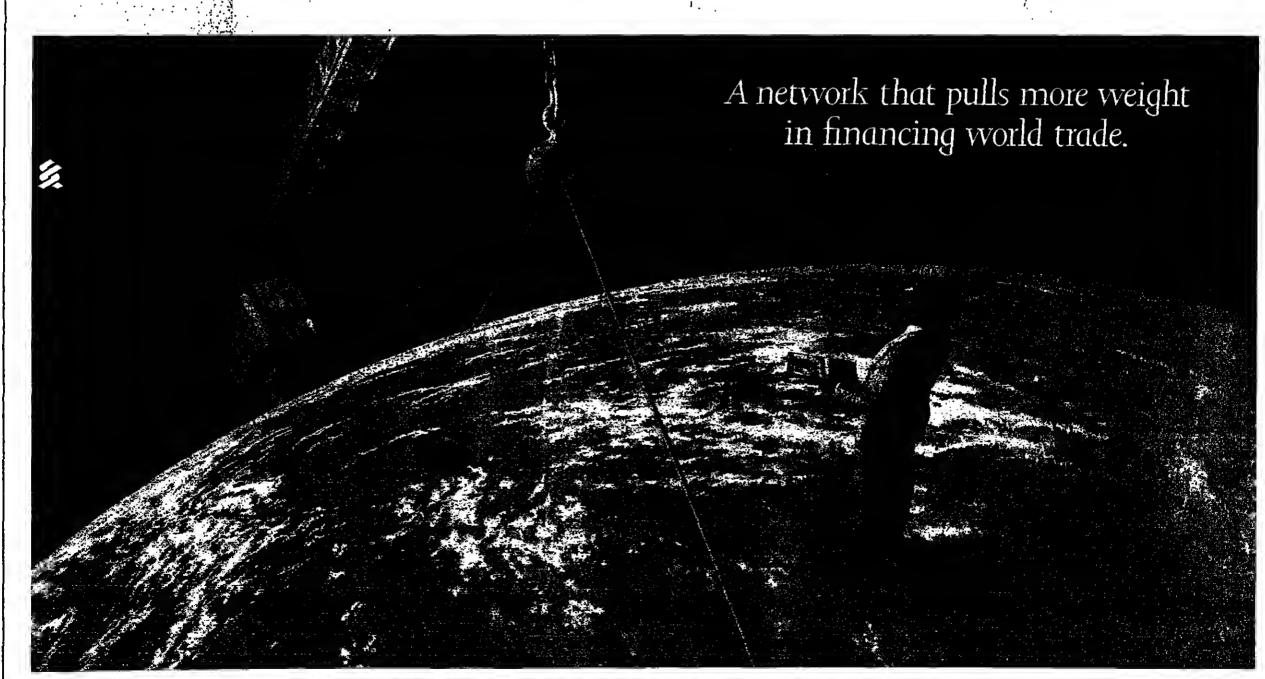
from a less sceptical donor

finance minister's agenda. So far, Mr Mudavadi has stayed the course, thanks to President Moi's backing and the absence of any credible alternative economic policy, but his security of tenure is not guaranteed. Neither is success as he prepares to tackle the daunting problems of a chronic budget deficit and parastatal reform.

finance minister's plans may be over-amhitious. Neither inflation, running at an annualised rate of 50 per cent, nor government expenditures are under control. The cost of servicing the government's ballooning domestic debt leaves little room for iovestment in Kenya's dilapidated social services. Few of the 400,000 school-leavers this year will find jobs.

And yet, with elections not due for almost four years. there is hope that Mr Mudavadi, backed by a streogthened private sector, may be given the chance to put Kenya back on to the growth fast-track.

Perhaps a modern civic sociemerge as a generation of political leaders, whose authoritarian instincts date back to the struggle for independence.



The financing of international trade has been a core business of Standard Chartered Bank for over 140 years. It is one of the strengths on which our international network has been built.

Today, that network operates through more than 600 group banking offices in over 50 countries - with particular strength in the developing economies of Asia and the Pacific, as well as Africa and the Middle East.

Creating links between emerging markets, and making connections between them and the developed economies, Standard Chartered is ideally placed to help finance some of the world's lastest-growing flows of trade.

But it's not just a question of baying people on the ground at both ends of o transaction.

More than an international network, Standard Chartered

offers you the benefits of international networking - pooling the skills, the local knowledge and the expertise of our people to deliver an outstanding service.

As trade finance specialists, we aim to deliver the practical skills which ensure the efficient handling of routine documentary credits - and, at the same time, the technical and creative expertise required to devise innovative, sophisticated financings.

Standard Chartered has o long-established reputation as o leader in financing international trade. By building on the strengths of our network and our people, we ore building on that reputotion still further.

Standard & Chartered

INTERNATIONAL NETWORKING



unch-uf

The old guard can offer no alternative

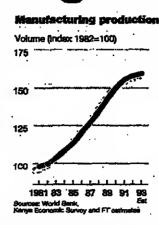
reliable guide, the Kenyan economy has turned the corner and is poised to return to respectable growth rates in the latter half of the decade, though 1994 will be flat.

Kenyan business is emerging from e traumatic period in the doldrums - 100 per cent inflation, 70 per cent devaluation, ic of damaging financial scandals, record interest rates, drought, e freeze on donor funds and sudden, umpredictable shifts in macro-

economic policy.
Yet such is the economy's resilience that GDP stayed fractionally ahead of the game, with real output rising 0.4 per cent in both 1992 and 1993 and forecast to grow by 2 to 3 per cent this year.

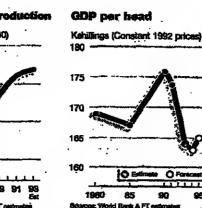
But business sentiment is notoriously fragile and volatile. A leading businessman admits to a nervous feeling in the pit of my stomach" that at least some of the sweeping reforms of the past 12 months will be reversed. Another believes that the scales are so finely balanced between reform and a return to controls that the outcome is too close to call.

The most immediate challenge is political. Clustered around President Daniel arap Moi is a clutch of old-guard politicians for whom structural adjustment, deregulation, privatisation, the World Bank and the IMF are dirty words. They are unlikely to acquiesce in the loss of privileged access to wealth and patronage at the behest of, and under duress from, the donor community. That said, this anti-reform



going for it, given the failure of lts nolicles. However it can point to falling living standards and the limp supply response to reform, other than exports. With a population growing at 3.4 per cent annually and stagnant GDP, real incomes have fallen some 8 per cent since 1990; unemployment has worsened and wage awards have fallen far behind inflation. Urban unemployment climbed from 16 per cent in 1986 to 23.5 per cent by 1991, and is now estimated to be in the region of 27 per cent, while rural unemployment is put at

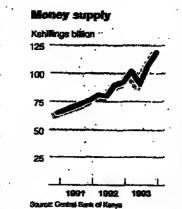
12 per cent. The critics are on weak ground, however, when it comes to policy alternatives. The old guard has nothing to offer in its place. There is no constituency for e return to the bad old days of price and import controls, overvalued exchange rates and pervasive state intervention. With no elections due for almost four years, the reformers have a window of opportunity to get



Kenya back on to e 5 per cent growth track - fuelled, this time, by a structurally healthy economy, rather than ons dependent on aid and volatile commodity prices than.

A survey of multinationals by the East Africa Association finds that the majority of the 37 respondents (to date) have significant investment plans. Only one is disinvesting. The government's Investment Promotion Centre has had 120 investment inquiries so far this year, and about 20 per cent of them have been translated into firm project proposals. The country's first privately-owned industrial perk and export processing Zone (RPZ) is fully subscribed, while officials claim good support for Athi River EPZ, due to come on stream

later in the year. This - largely anecdotal evidence suggests that there are at least the stirrings of an investment supply response, while sxports have already responded significantly to devaluation and 100 per cent



earnings retention. In dollar terms, exports surged 15 per cent last year to \$1.1bn. Industrialists ettributs

creased exports of manufac tures to devaluation, strengthening economies in (and improved trading ties with) Uganda and Tanzania, and some shift of commerce from informal to formal channels. Clothing, textile and footwear firms, some in the EPZ, or utilising the manufacturing-underbond scheme, are penetrating European and North American

Reform has done wonders for the financial sector, too though not yet for insurance groups. Barclays Bank of Kenya doubled its profits last year, while share prices doubled on the Nairobl Stock Exchange in the first two months of 1994, though they have since fallen by a quarter. Business has also been encouraged by the opening up of constructive dialogue with

the government, and especially with finance minister Musalia Mndavadi and central bank governor Micah Cheserem. Private enterprise played a leading role in staging the Nairobi investment conference last week, and will be prominent at the London investment conference scheduled for November, being organised with Confederation of British Industry. Not everyone is upbeat. The

donor community, marching to a different drum, is stuck in wait-and-see mode. Its caution stems partly from its understandable preoccupation with political conditions, memories of having been misled by the

Kenyans in the 1980s, and current concerns about macroeco-

The challenges here are formidable: per capita incomes will fall again this year for the fourth successive year, inflation, which had fallen to 16 per cent on a three-month moving average basis by December last year, from a peak of 101 per cent in mid-year, is back above 50 per cent; bank lending rates of 33 per cent are substantially negative in real terms and set to move higher; and the change rate, having overshot (it fell to a low of Ks70 to the dollar late last year), has now appreciated to the point where exporters are beginning to complain that their competi-

tive edge is under threat. This year, too, the economy will pick up the tab for the fiscal and monetary expansion associated with the December 1992 elections and the subsequent banking and financial scams that cost the country literally hundreds of millions of dollars. The authorities managed to slow money supply growth to 26 per cent last year,



Musalie Mudavadi: a constructive dialogue with business

from 33.6 per cent in 1992, by driving treasury bill yields above 70 per cent to drain liquidity from the system at enormous interest cost to the exchequer. The volume of bills outstanding more than quadrupied during 1993, to reach Ks59bn at the end of the year, and increased by a further 35 per cent in the first quarter to Ks80bn in early April.

The high nominal interest rates used to mop up liquidity now threaten to destabilise the economy, fnelling rapid monetary growth as capital substantial 1993 current account balance of payments surplus and a firmer shilling. Managing the T-bill mountain will tax the anthorities' ingenuity, forcing them to lengthen borrowing maturities, or incur a budgetary surplus to inflation

renav debt. The latter option is not on the cards. The budget deficit is forecast et 7 per cent of GDP this year (to June 30), due to heavy interest charges, external debt-restructuring notwithstanding. Interest costs account for 42 per cent of recurrent spending - 35 per cent domestic and 7 per cent It is clear that structural

adjustment is not going to succeed without radical public sector reform. Civil service reform, in terms of freezing posts and retreuching staff, is on target, but this is only the tip of the iceberg. The real challenge is to improve accountability, transparency and efficiency right though the public sector, and especially the parastatals. Re-engineering the parastetal sector is arguably the most formidable chellenge facing the government, since public enterprise inefficiency and infrastructural decay are both a heavy burden on the budget and major deterrents to new

Fiscal policy and the associated problems of monetary management and inflation top the policy agenda, and it is here that the scope for (and danger of) slippage is greatest, under pressure from big-spending ministers. The government is caught in a fiscal bind - stagnant revenue, reduced aid inflows, expenditure overruns, escalating interest costs, and the need to write off debt to

Over the next two years, the deficit must be trimmed to 2 per cent of GDP, implying both revenue enhancement and spending cuts. There are high hopes of the former, following the appointment of three pre-shipment import inspection egencies, whose prime task will be to monitor customs and

clean up parastatal balance

Annual percentage chango Foreign reserves Kshilling per US\$

VAT payments, thereby levelling the playing-field for local manufacturers facing competition from importers, paying bribes rather than duties to get their products into the country, while simultaneously boosting government revenue. government revenue. Estimates suggest that anything for 25 to 50 per cent of taxes and duties are being

But it is impossible to reconcile heavy investment in the country's rundown and deteriorating infrastructure with fiscal stringency and domestic debt repayment, especially in a country forced to live with the withdrawal symptoms of reduced aid dependence. Traditionally, Kenya was able to rely on donor funding for development, with net disbursements of over \$1bn annually in 1989-90. But those

days have gone: Ksnya's aid

reliance ratio (aid as a

per cent annually into the next century, creating 165 000 new wage-sector jobs each year. This is a tall order, given declining rates of investment. The reforms of the past year

have created a platform for self-sustaining growth, but there is a long way to go to overcome the political doubts of the recent past, to rehabilitate the public sector and creete the enabling environment necessary for Asian-style growth rates.

percentage of GNP) fell from

13.7 per cent in 1989-90 to 7 per cent in 1991-92, when inflows

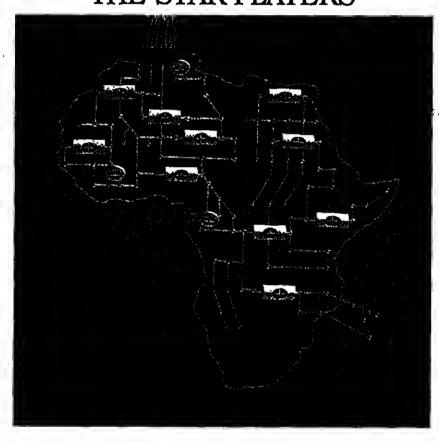
To achieve social stability,

the economy must grow at 7

declined to \$780m.

The jury is out on the sustainability of Kenyan reform, but with private enterprise markedly more bullish than before, the investment response lacking in so many parts of Africa may materialise in the latter half of

THE STAR PLAYERS



ON THE AFRICAN CIRCUIT

mitted to deploying top professions staff to expand and maintain an efficient, mod And we're committed to creating innovative

cial products specifically designed to meet the

markets from Algeria to Zambia and provides them with the capabilities and quality of service for which Citibank is renowned internationally.

For more information on how Citibenk can help you with trade finance or treasury, capits markets or correspondent banking, aimply contact: Robert Annibale in Landon on

CITIBANCO

A fter years of complain-ing that implementation of Kenya's reform programme has been too slow, donors are now warning of "overload" and "indigestion",

Overload is the consequence of weak public sector managerial skilis on one hand, and pervasive political intervention and obstructionism on the other. After a year in which many of the constraints on the economy - especially those affecting prices, foreign trade and payments and the financial sector - have been swept away, Nairobi is now under pressure on two main counts: public sector reform, including parastatal restructuring; and macroeconomic stabilisation.

The two are closely interlinked; price and exchange rate stability will be restored only when the budget deficit and credit creetion are brought under control. The current macroeconomic policy stance is the now-familiar counterproductive mix of fiscal expansion, partly offset by monetary curbs. As fast as the govern-ment pumps liquidity into the system, so the central bank mops it up with treasury bills and increased statutary cash

As a result, the private sector - the obvious engine of growth - is carrying the can The private sector is carrying the can for public sector inefficiency

Indigestion inhibits growth

for public sector inefficiency. Investment is being constrained by parastatal inefficiency and a weak infrastructure, while govsrnment profligacy is crowding out corporate investment, forcing firms to pay higher nominal interest rates.

This has to change. In the ambltious policy framework paper (PFP), agreed with the IMF late last year, the govern-

Despite generous terms from the Paris Club. external debt is a burden

ment has promised to cut the budget deficit to a targeted 6.1 per cent in 1993-94, from 10.5 per cent last year, with further reductions to 3 per cent in 1994-95 and 2 per cent the year after. When grants are included, the budget should be in balance by 1995-96.
Some slippage is inevitable given the difficult political

environment and the enormity of the task in the public sector. The signs are that Kenya will overshoot the deficit target by over 1 per cent in the year to June 30, and this could turn out to be optimistic as hitherto unknown public sector spend-ing commitments and borrowings continue coming to light. The 1994-96 PFP targets

increasing revenue from 22 per cent of GDP to 24 per cent by 1996. Some maximum tax rates will be lowered, but the tax-base will be broadened by abolishing tax exemption for parastatals, improving revenue collections and expanding VAT to

Government spending is to be reduced from 29 per cent to 26 per cent of GDP by 1995, by eliminating subsidies to ths National Cereals and Produce Board, civil service retrenchment, and cuts in security spending and interest charges. The latter looks e forlorn hope at a time when domestic interest charges are absorbing over a third of the budget and foreign payments a further 7 per

The civil service is shedding 26,000 jobs - over half of them unfilled posts - in the current year, reducing its workforce by some 5 per cent to 250,000. A further 48,000 jobs will go over the next three years at the rate of 16,000 annually,

Price controls have been virtually eliminated, with one significant exception - fuel

deregulated by July, though important technical issnes relating to the refinery remain to be resolved.

Far-reaching reforms are proposed for agriculture, including strengthening research and extension services, the privatisation of some government-provided services such as tractor hire and veterinary services, increased cost recovery, and a new, much-diminished role for the NCPB, to maintain and manage a strategic maize

The PFP programms is costed out at \$2.4bn, of which 800m would come from existing grants and loans, leaving e \$1.6bn gap. The fact that new ald commitments over the 1994-96 period are estimated at only \$300m underscores the changed financing environ-ment that Kenya is now experiencing. No longer can aid be relied upon to close the gap, and Kenya will need "exceptional financing", including the refinancing of arrears, totalling \$1.3bn over the next three

reserve of some 3m 90kg bags.

The two-year politicallydriven donor freeze on balanceof-payments aid, estimated at \$700m, cost Kenya dear. Not only was it partly responsible for the 1992-94 slowdown in the economy, but because foreign interest peyments were missed, Nairobi lost its position as one of the select few of African countries that has avoided debt restructuring.

Although Kenya secursd generous refinancing terms from the Paris Club of official creditors, its external debt burden remains uncomfortable. Interest arrears will be repaid in seven instalments over eight years, with a one-year grace period. Five per cent of the arrears are payable in 1995, ris-ing to 25 per cent in 2001, and negotiations are to be held later with commercial creditors, with a view to obtaining similar terms for \$100m of

In the three years to 1992, Renya's debt-service ratio averaged 32 per cent of exports; and, while it fell to around 25 per cent last year, when interest was not being paid, and will remain in the mid-20s in 1994-95, the respite will be shortlived. By 1996, debt-service will be absorbing 29 per cent of export and tourism

Debt-service could be less of a burden if last year's impressive balance of payments perprices. These are due to be formance is repeated. Strong

export growth, sluggish imports, as business ran down its inventories, the freeze on interest payments, and the return of flight capital as confidence recovered and residents took advantage of high yields in the treasury-bill market, gave rise to healthy surpluses on current, and especially capital account.

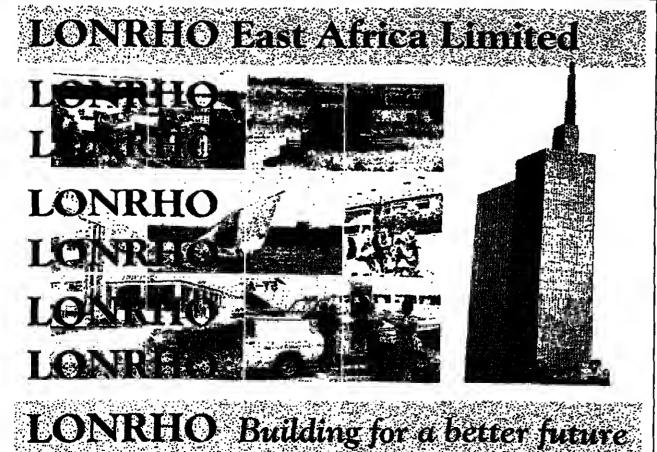
Provisional central bank estimates put the current account surplus at Ks7.2bn last year, compared with a deficit of Ks3.6bn in 1992. Healthy growth in tourism and service income more than offset the wider trade gap. Capital inflows, conservatively put at over Ks20bn, pushed the overall surplus to Ks27.5bn, with gross reserves up more than Ks45bn at Ks58bn or seven months' import cover. With aid flows down and almost certain to remain so, export growth and private capital investment from abroad are the keys to a healthy balance of payments.

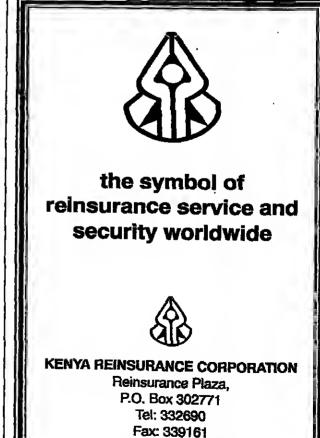
Once import demand starts to recover, as economic growth accelerates and investories are rebuilt, the shilling will come under selling pressure; and, on purchasing power parity and monetary considerations, the recent appreciation of the currency will reverse. Last year's 15 per cent export growth is unlikely to be sustained for long, underlining the need for a new financing strategy, focusing on attracting the private capital necessary for steady growth, from

Exchange rate stability will remain a mhage unless inflation is tackled. The single-digit target by end-1994 is unrealis tic, but the rate could be brought below 20 per cent during 1994 if the necessary combination of political will and improved public sector management can be brought to

Tony Hawkins

.





Cable: Kenyare

Telex: 22406 kenyare ke

October, on the eve of the

donor consultative group meet-

ing in Paris. The unilateral

action, which melted the

dooors' two year aid freeze.

sent a strong signal of support

to the Kenyan government and effectively set the tone for the

Parts discussions. Mr Horie

says Japan acted with the

knowledge and approval of fel-

lt bas not, however, been

plain sailing for the Kenyan

government since then. In Feb-

ruary, Britain's Overseas

Development Agency cancelled a £12m grant for forestry con-

servation after failing to

receive assurances from the

Kenvan government that it

would end the illegal allocation

of protected forest areas to

members of the ruling party

"What we are looking for."

says Baroness Lynda Chalker.

Britain's overseas development

minister, "is effective action to

improve open and accountable

government, including dealing

with corruption, reducing

tribal tensions, strengthening

law and order . . . and enhancing press freedom. These

remain the benchmarks which

we shall be employing when

Britain is not alone in cut-

ting back aid. Denmark, aid

partners since Kenya's indc-

pendence, and the US, have curtailed projects citing

increasing co-operation prohlems with Kenyan authorities.

Eveo the World Bank will only

present one new \$22m project

Norway, which renewed dip-

omatic ties in Fehruary after a

three-year break, has no plans

to resume financial assistance.

We bave told Kenva that

when we need to speak out, we

will do so forcefully," says

Arman Aardal, the Norwegian

Kenya broke off relations

with Norway in 1990 over Oslo's criticism of the deten-

tion and trial of Kolgi wa Wamwere, a prominent dissi-

dent. Soon after the reopening

of the Norwegian embassy in

Nairohi. Mr Wamwere was

again being dragged before the

courts. The irony has escaped

to its board this year.

amhassador.

few Kenyans.

we come to review progress."

and their acolytes.

low donors.

The government regards democracy as bothersome, writes Leslie Crawford

Punch-ups in political arena

12 340

multi-party era, politics in Kenya is about punch-ups.

Tony Hawk

in parliament, at opposition conventions, inside Nairobi city hall, the willingness of elected representatives to come to blows is symptomatic of a broader malaise: the lack of nolitical dialogue in Kenya.

The government, from the president down, makes no secret of the fact it regards democracy as a bothersome foreign imposition with dangerous social repercussions. Its relations with the opposition

"Multi-party elections were forced upon us by the donor community," says John Joseph Kamotho, education ministe and secretary-general of the Kenya African National Union (Kanu) party. "Given the choice, we would have proceeded more slowly."

Having ruled since independence, and won the December

The ruling Kenya African National Union has had little cause to change

1992 elections, Kamu has had little cause to change its ways. It has continued to jail critics, deny permits for opposition political rallies, ban independent trade unions and stifle the media as in the days of oneparty rule, Kanu makes no distinction between the party and the state. It therefore regards all criticism as a treasonable

100 20

១៩៦ ម៉ាត់

TOTAL HORE

service and

ioridwide

Tweoty-one parliamentarians - almost a quarter of the opposition force - were jailed during 1993. The arrest and harassment of opposition leaders has intensified during 1994. The time spent in court fighting charges, not to mention time spent in jail, has been a significant drain on the opposition's energy and resources.

Journalists bave been detained and charged with sedition or subversion for reporting on matters which the government considers inflammatory. Books and magazines are occasionally banned. At the state universities, lecturers have been on strike for five months to demand the legalisation of their professional

union. Mr Kamotho, the educa-tion minister, says the union leadership of the Ford-Asili. tion minister, says the union will not be recognised.

The elections legitimised a regime that does not believe in democracy." says Mr Paul Muite, an opposition member

And yet, the election results came as a rude shock to Kanu leaders. President Daniel arap Moi, standing for re-election, mustered only 36 per cent of the vote. Kann also failed to win a single parliamentary seat in Kikuyu or Luo land home of two of the country's largest ethnic groups - undermining Kanu's claim to be the only true national party in

The election results crystallised what a one-party state could conceal: that President of the Kalenjin clan, leads a government of minority tribes which hae deliberately marginalieed the larger eth-

Kenya.

nic groupe. President Moi's coalition, in power since President Mot leads a 1978, fears the government of minority tribes

arithmetic of majority rule because it would bring back Kikuyu political

Happily for President Moi. the opposition is in disarray. Divided by personal rivalries in the run-up to the elections, the defeated opposition has continued to fragment on tribal lines. The Forum for the Restora-

tion of Democracy (Ford), which campaigned so effectively for the legalisation of opposition parties, split into two camps after failing to agree on a single presidential candidate. The late Jaramogi Oginga Odinga, who died in January, took his Luo community into Ford-Kenya. Kenneth Matiba, a prominent Kikuyu leader, founded Ford-Asili with Martin Shikuku, whose Luhya community forms the country's second largest ethnic

group. Now Mr Matiba is being chal-

The two men have exchanged ngly words in public. Their supporters have exchanged

Ford-Kenya was in disarray even before Mr Odinga's death. Several parliamentarians have all but resigned from the party. A third opposition force, the Kikuvu led Democratic Party, has failed to make any impact m or outside parliament. Having failed to dislodge President Mol from power, some opposition leaders have lost faith in a political game

which they say is stacked

against them. Mr Matiba, the

runner-up in the presidential contest, hes refused to take up his parlianentary seat in protest et an lection which he believes was rigged. Mwai Kibaki, the DP eader, appears to be absent in mind and

spirit. With much political in-fighting, the

opposition has failed to make its mark on the two burning issues of post-election Kenya: the corruption scandals linking "political banks" to senior members of the Kanu leadership, and ethnic conflict in the

Rift Valley. A spirited anti-corruption campaign led by Mr Muite of Ford-Kenya fizzled into thin air when his leader, Mr Odinga, admitted to receiving donations from the owner of one of the scandal-tainted banks.

Tribal clashes between the president's Kaleniin tribe and Kikuyu farmers have caused 1.500 deaths and displaced more than 300,000 people since 1991, according to church and human right groups.

Although the turnoll in the Rift Valley pales in comparison to the recent killings in Rwanda, church organisations say the clashes represent Kenya's most serious crisis since independence. They are frightened by the underlying threat

of chaos and social disintegration in a country with more than 40 ethnic groups and an acute shortage of farmland.

Three independent reports, including one written by a parliamentary committee when Kenya was still a one-party state, pointed to government complicity or involvement in the violence. Government officials and close associates of President Moi were named as the principal instigators of the Rift Valley clashes.

The government denies any involvement in a conflict which recently began to take the removal of all ethnic groups except the Kalenjin, sai, Turkana and Samburu from the Rift Valley. The clashes have hrought

church-state relations to an all-time low in Kenya. "We have buried the victims of trihal clashes. We understand the impact of financial

The elections legitimised a regime that does not believe in democracy'

scandals on our dwindling incomes. We are with the poor every Sunday, not just for election rallies. How do you expect the church not to take a political stance?" says the Rev Mutava Musyimi, general secretary of the National Council of the Churches of Kenya.

Church groups have also thrown their weight behind opposition calls for a national convention to redraft Kenya'e

For while the advent of a multi-party system has brought the tribal factor into greater relief, Kenya's existing institutions, including an all-powerful presidency, have been unable to accommodate the aspirations of the country's disparate ethnic groups.

The culture of violence that is taking root has made real the alarming possibility of civil war in Kenya," the buman rights group Africa Watch warned late last year.

Perhaps this very real danger might make an intransigent government and a fractions opposition come to their

Aid donors find themselves in an uncomfortable role

The conditions get tougher

Six months after the restoration of fast-disbursing aid, Kenya's donors face an awkward dilemma.

Most are torn between the wish to continue supporting finance minister Musalia Mudavadi's economic reforms and growing alarm at Kenya's deteriorating political environment. A mid-year review of Kenya's overall progress is likely to be as difficult as a Solomonic judgment.

If the ass heavily on the government's political shortcomings, anti-re-formere could have fresh Mudavadi and his programme. Kenya's aid partners, however, have come to believe that the harassment and incarceration of opposition politicians, ethnic cleansing in the Rift Valley, and the government's crackdown on the press are not random occurrences, hut the actions of e regime which has not shed ite authoritarian instincts despite the formal

trappings of democracy. Since November 1991 - when donors suspended about onequarter of Kenya's aid flows, in protest against official corruption and human rights abuse the policy linking aid levels to good government has transinto the final arbiters of Ken ya's political and economic progress. It is an uncomfort-

The government of Kenya clearly regards some aid conditions as an infringement of its sovereignty, while opposition parties think foreign aid can and should be used as a lever to extract more political

It seemed no accident that President Daniel arap Moi legalised opposition parties only days after the suspension of balance-of-payments aid in November 1991, Bnt having failed to dislodge President Moi from power in the 1992 elections, the opposition felt betrayed when donors restored balance of payments aid in November 1993.

It was not, however, an unqualified victory for the Kanu government. . Donors pledged \$850m for 1994 - significantly below aid

freeze - and the money is likely to be disbursed by dripfeed as the list of conditions gets longer. Donors expressed cautious support for Mr Muda vadi's reforms, but said they wanted to see a consistent record before considering more handouts. They also told officials the government should prosecute corruption cases.

"The government clearly expected a bigger trade-off from edopting a multi-party World Bank line," says one amhassador in Nairohi. "The restoration of aid did little to ease the confrontational mind set between Kenya and its aid partners." Some donors feel it is time to

rethink the relationship. Japan, Kenya'e largest hilateral donor, is destined to play a greater role in the shaping of aid policy. Tokyo's interna-tional aid charter shares the same goals as western donors market-hased economic reforms, the respect for democracy and human rights, good government - but its approach

"We understand the process of co-ordinating political and economic reforms can be diffi-

cult and complicated," says Masahiko Horie, first secretary at the Jepanese embassy in Nairobi. "There are no abso-



ness Chalker: "we want action against corruption

lute yardsticks. We must look at the whole process and support positive trends."

Japan was the first country to resume fast-disbursing bal-

to reform appears to be infused with the millennial patience of ance-of-payments aid to Kenya last year. It released \$77m in

Financial profligacy

Many banks are

returning to their roots.

Thank goodness there's one bank

with its roots in the world.

ABN·AMRO Bank

open in Nairohl has been seized by the Kenya Central Bank in an attempt to recoup billions of shillings that went astray in the run-up to the December 1992 elections and their aftermath.

Kenyans are only beginning to count the cost of the financial profligacy which linked senior Kanu politicians, Asian businessmen, a group of local banks and the former top mangement at the central bank.

One confidential report into the complex series of financial transactions estimates the cost to the public purse was Ks30bn (\$430m), or about 10 per cent of gross domestic

The central bank began to lose its grip on monetary pol-icy when banking licences were liberally awarded in 1992 as a vehicle for financing the re-election campaigns of rullevels prevalent before the 1991 ing politicians. The "political

The latest five-star hotel to banks" engaged in duhious money-spinning ventures, relating to the construction of glamorous buildings in Nairobi and claiming geoerous government rebates for alleged exports of gold and

Emboldened by their early access, some of these banks then obtained more then Ks17hn from the central bank in exchange for a promise to repay the unsecured loan in doliars et a leter date. The loan was never repaid. In addition, the central bank is investigating the theft of \$117m of foreign exchange bearer bonds from its vaults and the possible forgery of other contral bank certificates.

Micah Cheserem, appointed central bank governor last July, is trying to clear up the mess and recover as much public money as possible. under liquidation.

Leslie Crawford



THE DOLPHIN GROUP

"Committed to developing business in Kenya"



Tourist Paradise Investment Limited P.O. Box 45827, Nairobi, Kenya Fax: (254-2) 742620



Miwani Sugar Company (1989) Limited 20th Floor, View Park Towers, P.O.Box 41963, Nairobi, Kenya Fax: (254-2) 210691



The Delphis Bank Limited, Koinange Street, P.O. Box 44080 Nairobi, Kenya Fax: (254-2)210661



Block Hotels Limited P.O. Box 40075 Nairobi, Kenya Fax: (254-2) 543810



PEUGEOT- HONDA - VOLVO - TATA

Marshalls (EA) Limited Marshalls House, Harambee Avenue, P.O. Box 30366, Nairobi, Kenya Fax: (245-2) 219146

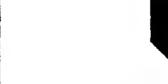


Destination Management in Africa

United Touring Company Limited **Fedha Towers** Muindi Mbingu/Kaunda Street P.O. Box 42196, Nairobi, Kenya Fax: (254-2) 331422

The Dolphin Group, 8th Floor, Arbift Tower, P.O. Box 60851, Dubai, U.A.E. Tel: (971-4) 280222 Fax: (971-4) 280223

CREATING THE STANDARD IN BANKING



Nairobi Head Office Nyerere Road P.O. Box 30262 NAIROBI

Tel: (254-2) 710455/6 Fax: (254-2) 713391

Mombasa branch Nkrumah Road P.O. Box 90230 **MOMBASA**

Tel: (254-11) 311489/62 215590 228554 Fax:(25411) 315005

710514/5, 710623/4 710714/6, 710714/5 How is the private sector adjusting to the government's economic reforms? FT writers provide four illustrations

Tough, but Barclays shines

Along with exporters, the financial sector has been the main beneficiary of liberalisation - a development underlined in the sparkling 1993 results reported by Barclays Bank of Kenya. Pre-tax profits more than doubled in the year to December 31 with earnings per share up 88 per cent. Three main factors account

for this impressive performance at a time of stagilation in the economy, income was boosted by high lending rates - a net interest margin between overdraft and deposit rates, averaging 7.4 per cent (according to official Central Bank of Kenya figures), while lending was up 28 per cent over the year.

More important was the return on money market operations – windfall gains from holding s substantial portfolio of high-yield treasury bills. Retail banks with a large customer base, were abie to source funds from current and savings daposits at average rates of 18.5 per cent and 14.75 per cent, reinvesting them in

rate of 57 per cent between costs - expanded dramatically April and December, This did not apply to banks forced to source funds from the interbank market, where rates were higher than oo treasury bills. The third factor was the sub-

stantial increase in the volume of foreign exchange business, arising from the liberalisation of exchange controls, the requirement for tourist operators to make payments in foreign currency and the scope to expioit profit opportunities in highly volatile market conditions. Barclays targeted firms with foreign currency revenues. There were windfall profits to be made, says Barclays Kenya managing director Bob Bird. "provided you got it right

and didn't take undue risks". Even so, 1993 was a tough year. Most of the participants in the country's 26 banks bad never operated with marketdriven exchange and interest rates. Barclays got its timing right, bringing in a foreign exchange dealer from London in November 1992 to prepare for liberalisation. Business volumes - and

the issue of import licences to the banks. At the same time bank systems were simply not geared to cope with foreign exchange accounting forced on them by the introduction - and subsequent expansion - of retentions accounts. "We anticipated liberalisation," says Mr Bird, "but with the rapid growth in volumes and inward inflows of foreign exchange, we ran up against infrastructural problems. Wa had to train

as the Central Bank delegated

managers and staff to be more market responsive, while alert-ing them to the pitfalls of foreign currency exposure." The nature of bank lending changed, too. The pre-reform pariod was one of hand-to-mouth reliance on scarce letters of credit (LCs), bnt as Kenya's short-term credit rating improved and reserves rose to reach four months import cover while customer damand fell, it became far easier to open LCs.
At the same time, the name

of the business gama had

changed. In a controlled sys-

more attention now to where

the cash is and how to use it to

Other important changes

brought by liberalisation that

he highlights as significant are

the relaxation on distributing

dividends, the introduction of

market exchange rates, the

removing of import licences,

and the abolition of price con-

does not plan additional invest-

ment in Kenya purely because

of liberalisation, but stresses

that in no way reflects the

company's lack of commitment

here for 60 years, investing steadily throughout. We have

confidence in the tea industry.

Liberalisation has reaffirmed

restriction has been acquiring

new land for expansion. Conse-quently, its efforts have been

focused on boosting yields and productivity through breeding

He says the company's main

our commitment."

Ha says that Brooke Bond

trols on commodities.

best advantage.

tem inventory management by importers and manufacturers was based on "just-in-case" principles. With long supply lead times, due to the cumbersome import licensing process and foreign exchange scarcity, management was forced to carry huge inventories. With liberalisation, lead times shortened dramatically and, faced with high borrowing rates and falling domestic demand, business has run down its stocks and its bank borrowing.

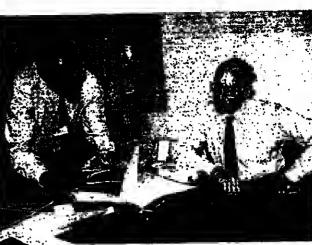
One might have expected the roller-coaster business conditions of the past year to result in a fair number of corporate failures, but that has not happened. Mr Bird says there have been "remarkably few" corporate failures and some surprisingly good results, given the difficult business climate. "Nobody from the top 200 seems to be suffering too much, perhaps because a lot of them have switched heavily into exporting." Barclays' 1993 performance

will be a hard act to follow. Money market margins are far slimmer today, and more tradi-



tional overdraft lending is a better bet, with the spread between retail deposit and lending rates up to 16 per cent in February, according to Central Bank figures. But demand is relatively weak, and there is the danger of being caught by the reversal in the forex market if - later in the year - the shilling overshoots again, as it did last year, and starts to

Bankers say that one of the most important changes of the past year has been the rehabili-



Bob Bird (right) with tressurer Martin Oduor Otleno

tation of the Central Bank of Kenya (CBK). Until the appointment of Micah Cheserem, an accountant formerly employed by Unilever, as governor, the central bank, and with it monetary policy and hank supervision, was in disar-ray. There was bittle communication between the banks and the CBK, bank supervision was virtually non-existent and the economy was rocked by a series of financial scams, estimated to have cost the country

of millions of dollars. Mr Chescrem changed all that, revamping CBK's top management, stamping ont corruption, strengthening supervision and tightening monetary policy, first by mopping up liquidity through the issue of treasury bills and subsequently by raising the statutory cash ratio of the banks from 8 per cent to 20 per cent of their deposits, thereby squeezing their lending capac-

Money supply growth of 26

per cent during 1993 is still too high. Although lending to the public sector declined 11 per cent last year and private sector borrowing was flat, money supply grew strongly, fuelled by the inflow of foreign exchange as exports increased and capital flight was reversed by the combination of foreign navments liberalisation and high nominal domestic interest rates. Kenya's net foreign asset position swung from a negative \$100m in April to a plus number of more than \$330m by the year-end

Despite these gains, the imbalance between a loose fiscal and a restrictive monetary stance means that the banks will remain in the frontline of the battle against inflation over the next year. Getting rid of the T-bill mountain, maintaining positive real interest rates - they are substantially negative at present - and managing foreign currency positions in a year in which the exchange rate overshoot can be expected to reverse itself suggests that 1994 will be another busy, though almost certainly, less spectacular year for the banks.

Tony Hawkins

Brooke Bond's lasting brew

The changes in the Kenyan economy during the past two years have been good news for Brooke Bond Kenya, the Unilever subsidiary wbicb produces tea, coffee and flowers within the country.

"The new financial regime within the government has done a superb job," says Alan Wood, managing director. "I can't think of anything more you could really ask for."

While political systems have come and gone - colonialism giving way to independence, Africanisation, single-party and now multi-party rule - the plantations now controlled by Brooke Bond in Kenya have remained, dating back as far as the 1920s.

The company has three tea estates - the largest at Kericho covering 7,000 hectares - and altogether accounts for about i4 per cent of Kenyan tea production. It has a smaller operation - of about 500 hectares under coffee cultivation.

In addition, in the late 1970s it expanded into horticulture with the acquisition of Sulmac, which produces carnations, roses and other flowers at Lake Naivasha for export primarily to Western Europe. "The European market has been able to absorb almost anything you

One of the biggest challenges facing the company in Kenya in the past has been inflation, which has been running at above 35 per cent a year. Until recently, the company has also had to cope with the effects of devaluation of the Kenyan shil-ling. "Devaluation became a significant management chal-

lenge," says Mr Wood. The effects were magnified because - like other exporters - the company had restrictions



until recently on the amount of foreign currency it could retain. "Your costs are instant, but there is a delay of some time between production and sale - we bave a 33-day target - during which you can incur an exchange gain or loss," he

In response to inflation and currency problems, Brooke Bond and other businesses carried stock at what he calls "fairly high levels" with working capital "more than strictly

The position has now eased, with companies allowed to shift in the coffee auction prices from shillings to dollars, an apparent stabilisation in prices, and recently even a revaluation of the shilling against other currencies,

As a result, the company had to develop treasury and cash management skills not previously required. "We are dealing with a changing environment where we used to have a stable environment over the years," says Mr Wood. "We pay

A mid the near-continuous and deafening noise of the kilns and grinders, there is suddenly an unusual silence at the Bamburi cement plant. A power cut has halted the heavy machinery.
Periodic failures in the sup-

ply are a costly, frustrating and frequent problem for the factory, which consumes the largest single share - up to 5 per cent - of Kenya's electricity generation capacity. However, Robert Brenne-

isen, managing director of Bamburi Portland Cement, who joined the company at its creation in 1954, is more optimistic than he was during tha previous decade. He weicomes a series of radical economic reforms that have improved its ability to make a profit in the past three years.

The company was formed as

ave Williamson gives short shrift to the "briefcase merchants" of the International Monetary Fund, and other advocates of Kenya's recent switch towards the economic liberalisation which he believes has helped to undermine his company. They are quite happy to

travel here first class and sit in a five-star hotel in Nairobi where they can get good meals and draught beer without ever seeing the country," he says. what Kenya actually needs."
It is a criticism he also levels at some Kenyan politicians. wbo he feels have often been

reluctant to come and see the effects of their policies and practices on the operations of Associated Vehicle Assemblers (AVA), a part government-owned and entirely Kenyan-based vehicle assembly plant. Mr Williamson is works

director of AVA, based in **Andrew Jack** Mombasa, which assembles up

Bamburi's profits reinforced

- and the government - tens

a joint venture of Cementia Holding of Switzerland and Amalgamated Roadstone of the UK, which was replaced in 1964 by Blue Circle. The gov-ernment bolds 16 per cent of the equity through tha National Social Security Fund, and a further 10 per cent is quoted on the Nairohi stock exchange. It now produces 1.2m tonnes a year, much of which is sold locally, and the rest exported to countries including Mauritius, Reunion,

Sri Lanka and the Seychelles. "We were suffering for many years from price con-trol," says Mr Brenneisen. He points to a six-inch-thick pile of documents on the shelf behind his desk. "All these are

submissions to the government to raise prices or remove

price control. Price control was introduced in 1972, and for several years the cap increased in line with rising costs. But by the early 1980s, the rises came too late and too small. "We were subsidising the building industry for years but it nearly crippled the company," says Mr Brenneisen. "We only just survived. It was only possible because we had very tolerant shareholders."

The controls were finally lifted three years ago, and be says the company has since been investing in capital expenditure and paying off its

In comparison, Bamburi's other difficulties are more trivial. Like many others, the company bas benefited from the removal of restrictions on holding foreign currency. Since it constructed its own port facility and bas staff working full-time on customs clearance, it has had less troubie than many in bandling imports and exports. However, Mr Brenneisen still raises concerns over delays nntil recently in granting import licences and duties.

"As a business we are impatient with the parastatals," he says. "We like to see things done yesterday. They take

casual stride. They can't use excuses all the time." The company has struggled to obtain sufficient roiling

stock for internal transport of its cement from Kenya Rail-ways, and has had to ship some cement at greater cost by road. It has also suffered from a lack of fresh water as a result of drought. Given an abundant supply of iow-cost, motivated labour, the company has not seen the need

to invest heavily in antomated processes. It employs about 870 staff, although a similar capacity plant in Europe could do the same job with about 150. Mr Brenneisen says: "The factory compares very well in performance with any in the world. We feel it is not morally justified to automate."

Andrew Jack

SISINI

A spanner in AVA's works

to 40 different types of car and truck on contract. The company was founded in 1977 with shareholdings from the statecontrolled Industrial Development Bank, the treasury, Lon-rho and Inchcape (which later

sold its stake to Marshalls). Production volume peaked in 1987 with just over 9,000 units assembled. Last year it had with staff numbers cut from a high of nearly 700 in 1979 to 152. "If we go any lower, we're in serious trouble," he says.

Yet AVA says it is still making a profit. It has done so primarily by cutting staff and maintaining a pay freeze for three years. In the past few months the plant has also been closed for weeks at a time to

However, the company's combined bill of corporation,

pay-as-you-earn, local authority taxes, duty and VAT has in many years equalled or exceeded the recorded level of

pre-tax profits, What Mr Williamson most objects to is the fact that, while AVA produces locally with Kenyan staff and Kenyan investors cars tallored for the local market, what he calls seems primarily to have bene-

fited car importers.

He resents the "privateers" in the informal sector who, he believes, avoid paying any duties or taxes on cars. Some claim imported cars are for personal use, and others that the vehicles are secondhand, making them subject to lower dnties. "There are an awful lot of new-looking Mercedes driv-ing around with old number plates on," he says.

"On the day in the budget last year when they changed the duty structure to allow the importation of commercial vehicles, the ro-ro ships started arriving," he says, "There was a dramatic change. The cake was suddenly divided into a million pieces rather than a

Equally, he says that very income to buy cars, while those that can tend to favour anything built overseas to local manufactures, Attempts to export to African countries have proved equally frustrating with reluctance by its neighbours to buy from a

direct rival. AVA encompasses a number of low-technology approaches. It has refused to switch from packing crates to container

boxes for parts arriving by sea,

for example. He says crates are more flexible, cheaper to freight, and can be simply stored outside at the factory.

To meet the demands of the car manufacturers, AVA has computerised storage of the 40,000 components which arrive each day, "The only other thing computerised is payroll - and I still think we could do that as easily by hand," he says.

Periodic electricity shortages during the afternoon means shifted all working hours into the morning and lunchtime to

avoid power cuts.
While it takes five times as many staff-hours to assemble a car in Kenya than a western assembler, Mr Williamson is sceptical of the value of automation - particularly when he says he can obtain and train high quality staff to do the work unhurriedly.

Andrew Jack





Αt **IPC**

We make the right connections between investors and opportunities.....

both foreign and local investors.

when it comes to providing advice on and construction, tourism and trade, investment opportunities available to transport and communication, among others.

IPC has detailed up-to-the minute information on issues like Export Processing Zone (EPZ), Manufacturing Under Bond (MUB) and other potential investment sectors which include: agriculture and agro-busi-

IPC has all the facts at its fingertips manufacturing and mining, building

iPC unveils the very generous investment incentives that Kenya offers such as guarantee against nationalization, repatriation of profits, investment and capital allowance, joint ventures, export compensation, duty exemption etc. etc.

For further enquiries contact;

Executive Chairman, Investment Promotion Centre, National Bank of Kenya Building, 8th Floor, Harambee Avenue P.O. Box 55704, Tel: (254-2) 221401-4 Telex: 25460 Biashara; Fax (2254-2) 336663 Nairobi, KENYA.

PROMOTING INVESTMENT IN KENYA



The Grand Regency Hotel, with its unique spectacular central atrium, is perfectly situated on a prime site overlooking Central Park, and offers the ultimate in modern facilities, luxury and

301 rooms, oil with a bath/shower, bidet, satallite TV. video and telephone. 34 exclusive sultes, from Executive, through Deluxe and

A choice of four restaurants and three terraces offering variety of suberb culsine, as well as several cocktall lounges and the Arcade Cofe.

Nairobi's largest ballroom/conference room equipped with the very latest audio video facilities - plus several meeting and pre-function rooms. Reuters-serviced business centre offering full secretorial,

computer and translation facilities. Fitness centre with sound, steam, massage, jacuzzi and great equipment for getting into shape.

Covered and heated all-weather swimming pool with

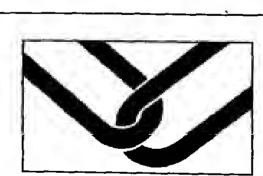
international casino and garning room. Exclusive shopping arcade.

Outdoor and underground parking for 200 cars.

> Member of GRAND HOTELS MANAGEMENT GROUP GRAND REGENCY HOTEL-UHURU HIGHWAY P.O. BOX 57549-NAIROBI-KENYA TEL: (254-2) 211199-FAX: (254-2) 217120







YOUR FINANCIAL LINK TO KENYA

Kenya is opening up to investments from international corporations - and with the introduction of the recent investment incentives and the prevailing enabling environment, a new era of investments has dawned in Kenya.

Whether you trade, do business or invest in Kenya, it pays to work with one of the country's most progressive and dynamic banks -

A bank which is ideally placed to assist you with all your banking needs. A bank that offers a more informed, more flexible and more innovative approach to banking services which are vital to make any investment a sound venture.



TRUST BANK

YOUR LINK TO SUCCESS

HEAD OFFICE: TRUSTFORTE BUILDING . MOI AVENUE P.O. Box 46342 - Nairobi - Kenya Tel: 226413 / 4 / 5, 216264 / 5 / 6 / 7 - Fax: 334995 Telex: 25143 TRUSBK

KENYA 5

Parastatal reform in Kenya is a sustaining structural adjustment without many-headed hydra. It has three distinct dimensions: the technical and financial the political and the managerial. Each is horrendously challenging.

413

-191

in order

-- ::: 3\$.

Tony Have

.... Mes Ther 🖏

and the state of t

Cornal Indian

The state of the state of

or the bush

... ... Billieft 7

and the state of the state of

وبجراله ساء

er er men bereit

لاقه الدينية

and the lab

The test was the

1.00 (D.2882)

or and was a g

the state of the state of

THE PERSON NO.

119.61

to on the west of

The state of

1 1 1 2 2 2 22

the second of the second

21 31 2

1-15-62

LINK

1 - 1 dg

the same of the links

1.11

Reform of public enterprise cannot be achieved without head-on confrontation with the political mafia, for whom the parastatals remain one of a diminishing number of sources of patronage.

Nor can the problem be tackled without getting to grips with the parastatal sectors endemic financial weakness and heavy indebtedness. Above all, reform requires far-reaching change in terms of corporate culture - finding a new breed of suitably-qualified, experienced and appropriately-rewarded public enterprise managers. Men and women must be appointed for their professionalism, and not because they represent a particular ethnic group or powerful family.

These are tall orders, and it is hardly surprising that parastatal reform is at the eye of the storm, given the impossibility of

root-and-branch parastatal restructuring. Kenyan officials agree that little progress has been made in restructuring the 33 strategic" public enterprises - railways, ports, electricity, water, posts and telecommunications -- but the turnround at Kenya Airways and the remarkable transformation of the Central Bank of Kenya, underscore the major contribution to reform

achieved by personnel change at the top. Officials insist, however, that reform is ahead of schedule in liquidating and privatising the 207 "commercially oriented public enterprises with direct or indirect public ownership

Three years ago, tha government published a two-dimension classification of its 240 public enterprises:

	Strategic	Non-strategic
Viable	Retain	Sell
Non- viable	Restructure	Liquidate and retain

Privatisation is ahead of schedule

Confrontation looms

had been sold by the receivers, five by pre-emption rights, ..

allowing other Little progress has been made ahareholders to in mathematica the 23 feature line. increase their in restructuring the 33 "strategic" equity stakes.

Heightening the going slowly, only five have been privatisad through tha Nairobi Stock Exchange: Bamburi Portland Cement (in 1991); partial sales of the government's controlling equity stake in the

By April 1994, 31 companies had been Housing Finance Company and Uchumi liquidated, including 27 that were either Supermarket (in 1992); and CMC Holddormant or insolvent. A further seven ings and East African Oxygen last year. In total, 63 companies - about 30 per competitive bidding and 15 sold under cent of the government's non-strategic portfulio - bave

been divested, in

four cases, partially. Another 33, public enterprises pushing the number to just under

public perception that the sell-off is half the total, are being processed, with 15 having reached the point of sale. These include some of the better-known businesses in which the state has a stake that are being sold under pre-emp-tion rights agreements: Carnaud Metal

Box. Chloride Exide (UK), Everready Batteries, Associated Battery Manufacturers and Firestone East Africa.

By the end of this year, the government says, it will have sold another 25 parastatals, including Kenya Airways, at least two sugar facturies, all cotton board ginneries and the freight-bandling services at Nairobi and Mombasa airports. Over half the remaining nonstrategics will be sold in two roughly equal tranches in 1995 and 1996.

The policy framework paper, agreed with the IMF last year, commits Kenya to "significant and irreversible public sector reform" - an armslength, transparent owner-management relationship between the government and the man-

agement of strategic parastatals. The government has promised to eliminate indirect subsidies to parastatals (which averaged 5.5 per cent of GDP during the 1989-1992 period) by 1997. Public utilities will be given tariff autonomy, subject to appropriate regulatory controls for monopolies and individual performance contracts must be n place by mid-1995.

A corporate plan bas been approved for Kenya Railways, including the sale of peripheral activities, limiting freight services to 23 main-line stations, and staff retrenchment. The posts and telecommunication functions of the Kenya Posts and Telecommunications Corporation are being separated, and a performance contract is due by mid-year.

Given Kenya's record, the temptation to write this programme off as bopelessly ambitious would be overwhelming, but for the success achieved - in remarkably little time - at Kenya Airways. But whether the politicians and other vested interests are willing to allow other parastatals to follow Kenva Airways through rebabilitation and eventual privatisation is problematic, to

Tony Hawkins

Kenya Airways may be privatised within the next year

Consultants initiate recovery

Eighteen months ago, privatisation of Kenya Airways would have been dismissed as sheer fantasy, but with the airline turning in a profit in the year to March 1994, a sell-off this year or next is on the

The remarkable turnround at Kenya Airways is reassuring evidence that parastatal reform is not as elusive as most African experience might

In 1991, the government appointed a new board, charged with commercialising the airline that had accumulated losses to March 1993 of some Ks6.2bn (\$110m), Two years ago, the board appointed Speedwing Consultants, the independent consultancy arm of British Airways, to advise how the airline should be commercialised and prepared for privatisation.

Speedwing produced a hardhitting report which recommended that the airline be run on strictly commercial lines. This would mean eliminating political interference, sweeping rement changes, a major overhaul of the commercial division with a new focus on customer service, and tight

financial controls. The report was accepted, and three highly experienced airline executives, who had worked for small, low-cost airlines in the UK, were appointed on three-year contracts as chief executive, and to head the commercial and finance divisions.

The new management team has stuck closely to the consultants' report. In classic turnround mould, top management was restructured, with political appointees being replaced by professionals. Eleven managers were retrenched and about 9 per cent of the workforca

line's foreign currency earnings exceed forex costs. Management found it could provide 110 per cent of previ-

ous volumes with 60 per cent of aircraft capacity. This was achieved by a combination of volume growth and increased market share - not higher fares in international markets. In the domestic market, deval-

point where, today, the air-

Flying high: after making a profit, Kenya Airways is set for priva

allowed, or encouraged, to take early retirement. Conscious of the need to develop a customer-first culture, in the course of a month the entire workforce of some 2 700 people was put through a day-long course, "Putting People First".

The new team targeted foreign exchange costs, concluding that it could provide 90 per cent of the required services with just 60 per cent of the existing aircraft capacity. Accordingly, one leased aircraft was returned to the lessors at a saving of some \$18m over five years. Other hard-curuation and rapid inflation forced the airline to double fares over the past year; domestic services are now breaking even, while foreign routes are profitable. In the year to March 1994, Kenya Airways exceeded its break-even target, earning a surplus of Ks450m. "We were able to send the minister of finance a cheque for Ks280m, becoming the first parastatal to give money back to the govern-

ment." says chief executive

Brian Davies proudly.

Profitability is not everything; Kenya Airways is also

rency costs were pared to the giving customers a far better service. Management set a target of 80 per cent of departures leaving within 15 minutes of schedule, achieving an average of 75 per cent in 1993-4, compared with less than half previ-ously. "Indeed," says Mr Davies, "some weren't departing at all!" A recent travel survey named the airline as runner-un (with BA) to South African Airways as the best

carrier to Africa. With the airline in the black. the next step is privatisation. Mr Davies says this could be done by the end of 1994, in line with the programme agreed with the IMF and the World Bank. For this to happen, the government will need to clear up the balance sheet by writing off over Ks4.5bn of debt

While no firm plans have been settled yet, the likelihood is that the government will hold on to a significant minority stake, drawing a major European airline into a coalition, also with a aizeable

minority holding.
The rest of the equity could be placed among Kenyan institutions; the sirline staff, through an employee share ownership scheme; and a share issue on the Nairobi Stock Exchange. That would ensure thet well over half the equity was held in Kenya.

Tony Hawkins

Industry has been forced to look to export markets for growth

Living with low consumption

Manufacturing industry, emerging from three difficult years of sluggish growth and escalating inflation, is restructuring to face the challenge of increased foreign

and domestic competition. Kenyan industry has traditionally played second fiddle to agriculture in terms of employment and contribution to GDP, and been in third place behind tourism in foreign exchange earnings.

Manufacturing accounts for more than 13 per cent of GDP - about half that of agriculture - and 13 per cent of wage 19 per cent. In 1991, its foreign earnings were estimated at \$250m, way below agriculture's \$620m and easily outstripped by tourism's \$440m.

The sector is dominated by food-process ing, beverages and tobacco, which between them account for 40 per cent of value-added. Drought and weak agricultural performance impacts directly on manufacturing in two main ways reduced volumes for processing, and depressed rural demand for locally manufactured consumer goods.

With sliding domestic living standards, mounting unemployment and depressed levels of investment, industry has been forced to look to export markets for growth opportunities. In 1992, manufac-tured exports accounted for less than 20 per cent of the total, but preliminary central bank numbers for last year suggest an increase to over 25 per cent.

In 1991, more than 90 per cent of Kenya's imports were raw materials, intermediate goods and capital equipment. Almost 40 per cent of imports were industrial supplies, underlining the extent to which industry was vulnerable to import curbs. While liberalisation and devaluation have made these more costly, access to inputs has improved dramatically. As a result, production scheduling and inventory management are more efficient.

Industrialists bave two main complaints: infrastructural deterioration, and the absence of a level playing-field. The latter is chiefly a reference to corruption at customs - the evasion of tariffs and VAT by importers, who are able to bring in and market finished goods at prices well below those of Kenyan manufacturers who pay duty in the normal way.

Industry has been forced to look to export markets for growth opportunities

Government hopes that the introduction of pre-shipment requirements for imports will close this loophole. The Kenya Association of Manufacturers (KAM) is also seeking a 25 per cent to 30 per cent duty differential between raw materials and imported finished products. In a recent paper on the problems that

deter investment in manufacturing, the KAM pinpoints infrastructural Inadequacy. It wants the management of Kenya Railways - like the airline - to be entrusted to "management experts" in the short term, followed by privatisation. The same formula is advocated for the ports. A third cause for complaint is the legislation precluding manufacturers from owning and operating their own distribution networks. Bata, the multinational shoe manufacturer, says it could bring down costs and prices in the Kenyan market if it were allowed to operate its own retail network. Bata is less critical of the

infrastructure than other industrialists.

of power cuts," says the managing direc-tor, Mr A.Fernandez, though be agrees that the roads are poor and that it's often easier to make an ioternational telephone

call than to get a Nairobi oumber.
Other industrialists speak in similar vein. As market growth has slowed, so companies are finding oew, mure cost-effective, ways of reaching customers. Output growth, which averaged 5.5 per cent annually in the late 1980s, fell below 2 per cent in the 1991-93 period, forcing industry to re-engineer its dumestic market strategy as well as to seek export outlets.

To succeed in a low-consumption economy, says another manufacturer, is not to downgrade technology, but to make it more functional "so that we can deliver what people want at a lower price".

Some, such as Glaxco, investing £4m in a plant to manufacture its ulcer drug Zantac for the African market, also see Kenya as a favourable location for new investment, infrastructural deficiencies and political imponderables notwithstanding.

Interestingly, there is little enthusiasu among established industrialists for export-processing zones. "They are only a gimmick," says one, adding: "If you have a level playing-field and reasonable taxes, as we do here (profits are taxed at 35 per cent), free zones don't add any value."

There is still much to be done to create the necessary enabling investment climate. A recent World Bank report ootes thet a company needs an average of 15 licences a year, the processing of which costs an average of 233 man-hours annually. Large businesses need 49 licences at a processing cost of over 800 man-bours.

Tony Hawkins

SASINI TEA AND COFFEE LIMITED

Highlights of Results for the year ended 30th September, 1993.

RESULTS

1983 - 19	1992 K2
Profit before taxation 20,774,796 Taxation 6,591,177	6 371,782 2 152,973
Profit after texation 14,183,619	3,238,809
Minority interests 490,952 Profit autributable to members 13,692,667	3,121,852
Dividends (Gross) 4,223,250 Retained profit top the year 9,469,417	2,111,625 1,009,727
Earrings per stock unit KShs. 32/40	KShs. 7/40

DIVIDENDS

An interim dividend of 100% was paid on 30th July, 1993 and a second interim dividend of 100% was paid on 15th November, 1993. The Directors do not recommend a final dividend.

CAPITALISATION

The following resolutions were passed at the Annual General Meeting held on Friday, 22nd April,

(a) increasing the authorised share capital from K£2,500,000 to K£7,500,000.

(b) authorising a bonus issue, subject to obtaining the relevant approvals where necessary, of two shares of KShs.5/- each fully paid for every one stock unit now held, increasing the issued capital from K£2,111,625 to K£6,334,875.

FIVE YEAR COMPARATIVE STATEMENT

RATIOS

		1993	1992	1991	1990 1	989
Earnings per stock u	rit .	KSn 32/40	7/40	6/85	4/21	2/74
Dividends per stock				5/00	2/00	1/00
Dividend cover (time		324	1.48	1.37	210	274
Net assets per stock		KSh 65/86	42/33	40/52	36/78 3	4/57
1461 Specio Por Supris					=	=

MEMBER OF THE SAMEER GROUP OF COMPANIES



something that marketing

efforts have failed to achieve. About 60 per cent of tea con-

sumed in the UK is Kenyan.

and represented last year more

than 39 per cent of all foreign

sales. A further 26 per cent

went to Pakistan and 15 per

cent to Egypt, with little

spread of market share in the

past few years. Foreign sales

have not grown as fast as

and coffee group of Brooke Bond Kenya, points proudly to a series of small rectangular pits recently dug in the ground between rows of tea bushes in a plantation in central Kenya.

The staggered holes are a simple method that could have a powerful effect in preventing soil erosion. Their creation is one of a number of recent measures designed to boost productivity at the Mabroukie tea estate, and on other plots con-trolled by many different farmers around the country.

It is a reminder of the importance placed by growers on investment in tea, at a time when the drought of the past few months has threatened a sharp drop in productivity for one of Kenya's main generators of foreign exchan

Last year, tea sales to other countries earned an estimated Ks18.6bn, or 28 per cent of all

It was second only to tourism at Ks21.3bn as a source of foreign exchange, and contributed an estimated 10 per cent of the world'e crop.
In a measure of the tradi-

tional significance of tea and coffee to the Kenyan economy, a national law forbids farmers to pull up any bushes of either crop to convert land to other s. The most recent National Development Plan - while calling for self-sufficiency in food - continues to urge the maintenance of the cultivation of export crops such as tea.

Companies such as Brooke Bond stress their continued commitment to tea, and point to a new breeding programme for "the golden clone" of highyielding varieties. They say their main restriction is lack of access to new land to plant for Tea and coffee are crucial elements of the economy

Brewing up new ways to boost production



Full of beans: world coffee prices are b

additional tea crops

More challenging is boosting productivity in some of the smaller farms, which account for about 55 per cent of the crop spread between some 200,000 producers. According to a recent report by the US agricultural attaché in Kenya, an increase in monthly advance payments and elimination of a 5 per cent presumptive tax on growers have helped boost incomes, while a remaining problem is inadequate processng capacity during peak peri-

Productivity - achieved through a combination of rising yields and growing land under cultivation - has continued to rise consistently in the past few years, increasing almost uninterrupted from 56.7m kilos in 1975 to 211.2m kilos last year. In 1994, monthon-month figures have been down sharply on last year following drought, although rain

um to restore confidence. Liberalisation has brought substantial changes to the sector. There are now no price controls on tea, factories can market their output without government involvement, and exporters can hold on to earned foreign exchange. At least half of all production must still be sold by auction, which has converted from shil-

in the past few weeks has

Horticulture is a vital source of foreign exchange ling to dollar sales. One challenge for Kenyan tea is to diversify its markets -

A garden of plenty

"I doubt whether most people who bny carnations realise where they come from," says Richard Fairburn, indicating with a wave of his hand an expanse of greening stalks growing under the hot sun.

increased production. While tea remains highly ing green beans and Brussels sprouts from the shelves of lucrative, coffee has until Marks & Spencer in the UK recently undergone a substan-tial slump which has forced know that the single largest many growers away from the business supplying fresh produce is based just a little furcrop - if necessary simply neglecting their bushes if they ther up the same road. Yet the area around Lake do not want to risk pulling Naivasha, in central Kenya,

them up. Coffee ontput in 1992-93 dropped to 73,000 has been turned into one of tonnes from 90,000 tonnes a the largest areas of privatelyowned floriculture and horti-Once it was a mainstay of culture in the world - and a vital sonrce of foreign exchange for the country. It the economy responsible for a boom in the country, reflecting claims to have, for example the high quality, premiummore roses under cultivation priced arabica beans it produces. Then world prices colthan in the entire UK. lapsed. Last year it accounted

for just Ks11m or 16 per cent of exports.
Some observers are optimistic that things are now beginning to recover. Export earnings can now be retained in dollars, and producers can receive proceeds of the sales of their own crop rather than simply taking their proportion ian, is now among the largest Kenvan-hased suppliers. from pooled sales organised by Mr Fairburn is director of

the Coffee Board At least equally important, world coffee prices are beginning to recover. But it will take several seasons before a consistently improved price will be reflected in higher a number of benefits of grow-

Andrew Jack | the climate. Year-round high

plies are available outside the European growing season. Of course, it can also produce during the European summer - and Sulmac is already cultivating flowers for eight

munths each year. Growing in Kenya also Nor probably do many buyoffers low capital and labour costs, access to freight (which is full southbound and needs cargo for the return journeys northward into Europe), a relatively stable political envi-

ronment and no export tariffs. On the other hand, Mr Fairburn points out that international communication can be difficult, pests and diseases haunt the tropical climate, the infrastructure is poor, imports are costly, there is no local research and development facility, and the image of Kenyan produce is variable.

Floriculture - a world mar-ket worth an estimated £16bu Perhans the most important hindrance is freight rates. Given the need to rush flowers last year - has traditionally been dominated by the Dutch. and vegetables to market, they must be air-freighted, which accounts for half or more of Dutch companies were among those that began growing flowers outside Europe to meet total production costs. George Roy, finance director fast-expanding demand in the 1970s; and one of these, Oser-

of Homegrown, which produces and prepares both flowers and vegetables for UK supermarkets such as Marks & cut flowers for Sulmac, the Spencer, says that the governother large Kenyan producer, ment reduced aviation tax in which was bought by Brooke response to concerns from growers, but that the airline Bond, itself now tronically compenies have yet to respond owned by a partly Dutch company, Unilever. He highlights by lowering rates.

In spite of the climate, cultivation is still not easy. Flowers require water every day, and Kenya's supplies are

The heat creates other problems. Homegrown has introduced pink-tinted greenhouses - to keep out the sun and reduce the risk of colours fad.

The heat also means that the flowers must be scrupulously protected once picked. The cuttings have to be quickly chilled and kept in insulated con-

A number of smaller suppliers, relying on shipping to move their produce, have run into difficulties, seeing their flowers rot on the quayside in Mombasa, or have been unable to negotiate cold storage and rapid freighting.

Many of the same issues apply to the production of veg-ctables in the region. Homegrown is developing links with a number of the UK supermarkets. However, demand is much more specialised than for flowers. "British consumers like their vegetables pre prepared," says Mr Roy, contrasting the position with those elsewbere in Europe, such as the French, who prepare vegetables in their raw

Equally, Alan Wood, manag ing director of Brooke Bond Kenya, warns that, while a few years ago horticulture and floriculture were proving highly profitable, growing competition is now making the field far tougher for both new and existing growers.

Andrew Jack

h

h

. : 1

LOOKING FO

FOR YOUR EX

LOOK NO

COINS

COTECNA INSPECTION S.A.

OUR TASK IS TO CONTRIBUTE TO KENYA'S ECONOMIC SUCCESS

Cotecna Inspection S.A. is proud to continue to serve the Republic of Kenya by inspecting imports from designated territories.

Services include independent pre-shipment inspection, product testing, laboratory analysis, transaction legality checks, tariff code and duty rate verification and customs assistance, conducted by our worldwide team of qualified professionals.

Details of these and other inspection services can be obtained from:

UK Operating Unit Cotecna International Ltd. Hounslow House 730 London Road Hounslow, Middlesex TW3 1PD, UK Tel: (081) 577 6000 Pax: (081) 577 7191

Head Office Cotecna Inspection S.A. 58 rue de la Terrassiere P.O. Box 6155 CH - 1211 GENEVA 6 Switzerland Tel: (022) 735 83 68

Fax: (022) 786 39 20

The Cotecna Group

Kenya Liaisoo Office Cotecna Inspection S.A. Alico House, 2nd Floor Nyerere/Mamiaka Road P.O. Box 62526 Nairobi, Kenya Tel: (2542) 726175/8

Fax: (2542) 726057

Bad weather and low prices have hit agricultural production

Of primary importance is

Self-sufficiency a remote goal

ing flowers in Kenya.

Although agricultural production is government's market-based reforms, Kenya is unlikely to recover self-sufficiency in food production in the near

The population explosion and the scarcity of arable land mean that agricultural expansion will have to come from increases in productivity.

Many believe it was the dismal performance of agriculture - mainstay of the economy and only source of livelihood for 20m people (80 per cent of the population) - that finally persuaded the government to implement reforms.

Agricultural production contracted by more than 6 per cent between 1991 and 1993, the worst decline since independence. Unfavourable weather and low world prices for coffee, a significant export commodity, were partly to blame; but so, too, were policies which subsidised urban consumers at the expense of farmers, and the inefficiency and corruption within the state market-

ing monopolies for staple crops. When change came, it was sudden and dramatic. Until October 1993, it was illegal for private traders to import maize into Kenya; until December it was illegal to move it around the country. Both are now actively encouraged. Price controls on malze were lifted at the end of 1993, raising the cost of this

foodstuff by 40 per cent in Nairobi. Contrary to government fears, there were no food riots. But economic hardship is severe, and is limiting what Kenyans can afford to eat. In the countryside, the US Agency for International Development believes most rural families are surviving on a diet of maize. tea, cabbage and potatoes or cassava. Sugar has become scarce, and when

available is scarcely affordable. For city

dwellers, maize flour now accounts for 70 per cent of the daily caloric intake. Bread has become a luxury, while most families are struggling to maintain consumption

levels of vegetable oil, milk and sugar. The National Cereals and Produce Board, the former grain marketing monopoly, has begun to privatise some of its warehouses. Eventually, its role will be confined to maintaining strategic grain reserves and acting as a buyer and seller of last resort. But it will remain active in the import and marketing of grain, while the private sector finds its feet in the newly liberalised environment.

The price and marketing reforms were all the more remarkable, in that they were implemented during Kenya's worst drought of the past 10 years. In

the heavily populated Eastern Province, the failure of the December rains wiped out half the maize crop. Maasai herdsmen in the Great Rift Valley have lost more than 275,000 head of cattle. The government says 5m people - one-fifth of the population - are in need of emergency food handouts.

About 1.7m tonnes, or just over half the national maize consumption, will have to be met by a combination of commercial imports, government pur chases and food

donations. And Many believe it was the dismal although the rains performance of agriculture that returned in April, meteorologists say prompted reforms it is too early to

> on the September harvest. Other factors have depressed agricultural production. Ethnic clashes have forced an estimated 300,000 people of the mainly Kikuyu farming community to abandon their homesteads in the Rift Valley, according to church organisations. Human rights groups have blamed government politicians for instigating the conflict between Maasai and Kalenjin herdsmen and the Kikuyu. The repercussions of the conflict go well beyond a decline in agricultural output. Many Kenyans fear the countryside could slide into civil war unless

the government undertakes greater

Agriculturalists are also concerned about the marked decline in the use of fertilisers since prices were liberalised in 1992. The government is considering the reintroduction of subsidies for fertilisers and agricultural credit to reverse this worrying trend. The distribution of sub-standard planting seed by the stateowned Kenya Seed Company - another parastatal plagued by mismanagement and corruption - has also lowered pro-

All these factors are making self-sufficiency in food production an ever distant goal. The government estimates that maize production would have to rise by 4 per cent a year to eliminate the need for imports by the turn of the century. Only significant improvements in yields could achieve this growth, as Kenya's marginal agricultural offers only limited potential.

At the same time, the need to import increasing quantities of maize, wheat, rice, sugar and vegetable oil to feed a rapidly expanding population has eroded Kenya'e agricultural trade surplus. The positive trade balance fell from nearly \$500m in 1990 to \$288m in 1992, and is estimated to have fallen further in 1993.

Leslie Crawford

BANKING FOR BUSINESS

For over 77 years, Barclays Bank of Kenya has been providing a wealth of financial services to Retail and Corporate customers in Kenya.

Our strength lies on our solid foundation, strong network of over 90 outlets countrywide and a thorough understanding of the local and international markets.

Our subsidiary companies include Barclays Merchant Finance Ltd. (BMFL), which provides full merchant banking services and National Industrial Credit Ltd. (NIC) which provides hire purchase facilities.

For Property Management, Trust Administration and Provident Funds, consult Barclaytruat Investment Services Ltd.

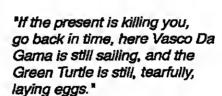
Please Contact either of the following for a copy of the Barclays Buainess Guide to Kenya.

Ian Campbell Head of Marketing Services Barclays Bank of Kenya Ltd. P.O. Box 30120, Nairobi Tel: 254 (0) 2 220666

Andy Fair Regional Director's Assistant Barclays Bank PLC. Fleetway House 25 Farrington Street London EC4A 4LP Tel: 44 (0) 71 832 3114



KIWAYU



Kiwayu Safari Village Ltd., P.O. Box 55343, NAIROBI, Kenya Tel: (254-2)503030 Fax: (254-2) 503149



Hard currency Remittances ?? No problem PTA Reinsurance Company (ZEP-RE) established by the PTA Reinsurance treaty encompasses 17 African

Take advantage of the ZEP-RE technical and regional strengths in the insurance and reinsurance busines

PTA-Re-insurance Company (ZEP-RE) P.O.Box 42769 Tel.212792 Fax 224102 Telex 22106 Nairobi Kenya.



LEADING INVESTMENT BANKERS IN EAST AFRICA

We are expanding in the investment and merchant banking fields and the pace is increasing with the continued liberalisation of the regional economies. Kenyan liberalisation measures undertaken in the past year include liberalisation of (i) FX borrowings for Kenyan companies, (ii) removal of local currency borrowing limits for foreign controlled companies, (iii) elimination of restrictions on investment, capital gains and dividend repatriation, and (iv) the ending of import licensing. Some of the functions that we have performed in the corporate finance and capital markets areas are listed below:

Mergers & Acquisition

- Commercial Paper Programmes Accounts Receivable Financine
- Inventory Finance Programmes Term Repos & Acceptances

CORPORATE FINANCE

- · Equity & Debt Capital Raising
- Structured Project Funding **ADVISORY SERVICES**
- Country Fund Managment Pension Fund Advisors
- · Agricultural Advisors Investment Evaluation and Advisory Services

- Private Placements
 - · RESEARCH Publishers of the Nairobi Stock
 - Market Review and Company Data Sheets. On-Line Research and Databa
 - for Kenya, Zimbabwe & Botswana Reuters Emerging Market
 - Contributor for Kenya

CAPITAL MARKETS

· Country Fund Managment · Underwriting & Placement

Floatations

Takeovers

Privatisations

RECENT TRANSACTIONS

- Managment buy-in financing for pre-privatisation operations. Export Financing for a European Multinational
- · Joint Veoture structuring for South African companies Import financing for a European Multinational
- Forfaiting for Kenyan Exporters Commercial Paper financing for inventory purchases
- Term financing for fresh horticultural exports

Portfolio purchasing and sale for international institutional iovestors

MIDDLE AFRICA INVESTMENTS LIMITED NATION CENTRE, 14th Floor North, Kreath Street, P.O. Box 34172, Nairobi, Kenya. TELEPHONE: (254-2) 213351, 215977 FAX: (254-2) 218257, 214934 (AFTER JUNE 16) TELEX: 25134 SPONSORS: EAST AFRICAN HIGH YIELD BONG CONFERENCE - AUTUMN 1994

DIRECTORS: B. K. SMITH, C.W. HARTLAND-PERL, R. T. DUNNET





Orchange exchange

the state of the state of

Fradure been

of the same,

the result of th

Problem British re

positive 1

the state of the s

I rench. of.

From the Ann Work E.

Karrier man ag

en fortheite.

the mere p

a me eretetable. En

now now

orapher for his

are a secure crowers

goal

for for of Break

The state of the late of the

topoga.

His success in saving Kenya's wildlife The fact that the second from the clutches of ivory poachers, and his fund-raising efforts abroad, put Leakey on a collision course with those in government who envied his independence and coveted the aid dollars flowing into KWS conservation projects.

Before Mr Leakey's appointment in 1989. The day of the state of the sta Kenya's wildlife was being decimated by gangs of armed brigands who roamed the country with impunity. Three-quarters of the elephant population and almost the entire rhino herd had been slaughtered. Attacks on tourists were on the rise.

Mr Leakey began the new regime at KWS by sacking 1,640 staff suspected of corruption. He re-introduced a shoot-to-kill policy against game poachers, and campaigned for an international ban on the ivory trade. He believed Kenya's wildlife, which underpins a \$350m-a-year tourist industry, could be managed in a profitable and sustainable manner. Donors, including the World Bank and Britain's Overseas Development Agency, backed his plans by

Conservation is about people as well as wildlife

A fresh start after the storm

pledging \$300m for KWS projects over 10

To foreign donors, Mr Leakey represented the new face of public service. He was a man who had taken over a corrupt and dispirited government department and transformed it into s dynamic parastatal, with the freedom to cut through red tape and resist political meddling.

Suddenly, in January, he came under attack for arrogance, racism and corruption. He was told ha faced a secret government probe into the workings of KWS. Neither President Moi nor the KWS board of trustees rallied to his defence as senior government figures, led by William ole Ntimama, the minister for local govern-ment, called for his resignation.

Mr Leakey believes the smear campaign was orchestrated by "land-grabbing" poli-ticians, whom the KWS had frustrated in their attempts to appropriate vast chunks of Kenya's wildlife sanctuaries to develop hotel resorts or mining concessions.

He left the director's post in January, was recalled by the president in March, and resigned again barely two weeks later, saying the government had placed impos-sible restrictions on his job.

Mr Leakey's acrymonious departure dismayad conservationists in Kenya and abroad. It also raised alarm bells to the donor community, who began to fear their conservation grants might fall prey to political predators.

The government appears to have acknowledged their concern, for instead of naming a politician to head KWS, it appointed another white Kenyan with solid credentials to the field of conserva-

David Western has a tough act to follow.

He must persuade the donor community that their conservation funds are in safe hands. He must avoid charges of empirebuilding while being in control of an area the size of Northern Ireland. And he must maintain the trust of government to be allowed to command an irregular army of game wardens, reconnaissance vehicles and surveillance aircraft.

He is also aware of the political machinations which hounded his predecessor from office, and says land-grabbing politiclans will have no better luck with him. Significantly, Mr Western obtained the

reversal of two presidential directives which caused Mr Leakey to resign: the armed Wildlife Protection Unit will no lon-ger be placed under the authority of the commissioner of police; and KWS will regain its financial autonomy from the Tourism and Wildlife Ministry.



Mr Western, however, believes that, under Mr Leakey's stewardship, KWS had laid itself open to charges that it was more concerned about animals than people. An acute shortage of arable and grazing

land, coupled with Kenya's rapid population growth, have brought communities to the borders of wildlife sanctuaries. Elephants trample crops. People are maimed, sometimes killed, by predators. A ban on culling means that wild animals and farming communities live in increasingly uneasy coexistence.

There was a lack of sensitivity to how critical the issue had become," Mr Western says. He intends to redress the issue by focusing on the "people side" of conser-

He wants to promote landowners' associations, and eocourage them to present their proposals for community-based conservation projects. He believes certain policies, such as the introduction of culling or hunting licenses, might be less cootrover-

sial if they came from local communities But the bottom line is money. Local communities, and local politicians in particular, feel they are not getting their fair share of wildlife reveoues. For Mr Western, juggling the competing financial demands of wildlife and people will be the toughest act of all.

Leslie Crawford

Andrew Jack on the delights and frustrations of a tourist

Enjoying the high life

Nairobi, dining at dusk, sleeping in a first-class cabin and waking to breakfast as the central plateao bush rolled past seemed like an elegant

Doing so at the peak of the rainy season was the problem. Just a few miles outside Mombasa, through both sittings for dinner, the train sat for more than four hours. There was no air-conditioning or lighting. There was no explanation from staff either, simply a casual shrug as they prepared for a long delay.

No doubt due in part to the presence of three politicians, the district controller from Mounasa arrived by car a little before midnight to see what was happening, while the guard had a chance to blame the British for their railway tracks, which he said caused the delay because they were sinking as a result of the rain. It was the sort of small, quirky incident,

endearing after the event, that a visitor to Kenya might come across during a holiday. And certainly there are many visitors now coming: more than 650,000 in 1992, and accounting for an estimated Ks21bn in revenues last year or nearly one third of all export earnings. Fears over political turmoil, machinations at

the Kenya Wildlife Service following the resignation of Richard Leakey, and reports of violence against tourists - including a number of murders such as that of the British nurse Julie Ward - may all have contributed to declining numbers from a peak in 1990 of nearly 900,000. But the government has responded with

tougher security measures in the national parks. The appreciation of the Kenyan shilling in the past few months at a time of relative ic stability may now seem to be as great a threat to renewed expansion in the number of

A tempting option for the more adventurous visitor is to climb Mount Kenya, complete with ment for entry to the park). Past the grazing buffalo and elephants, through the aticky delights of the "vertical bog" before the scramble through rock and snow begins, most rise early to avoid afternoon rains and stagger the trip over three or more days in mountain huts

to alleviate the effects of altitude sickness. The final ascent of Point Lenana, the highest feasible trek without serious climbing equipment, at nearly 5,000 metres, typically begins by moonlight at 2am or 3am, to allow for arrival at the peak for sunrise.

In spite of the difficulties, a remarkable number of trekkers make the attempt often inappropriately dressed in loafers, while their guides gallop up in Wellington boots carrying only conventional umbrellas for rain gear. For an extra frisson of fear, do the trip to Mount Kenya by "matatu" or shared taxi hy

night, experiencing local driving at its most



The floo's share; herds of tourists trek across the game reserves in four-wheel drive vehicles

lights one cigarette after another in a petrolreeking car while overtaking and tail-gating traffic without lights.

These experiences are a far cry for those who seek simpler forms of relaxation. To them, Kenya means little more than the beaches running north and sonth from Mombasa, with hotels offering packages at prices more attractive than in many other resorts around the

At the more expensive end of the market are the novelist, which specialises in offering ep-sea fishing trips, or the equally luxurious Lonrho-owned Mount Kenya Safari Club,

For the urbanite, Nairobi offers a large range of cosmopolitan cuisines including French, That and Mongolian, as well as the more indigus grilled zebra and wildebeest.

For those tempted to sample a more distinctly African experience, there are safaris in abundance. Herds of tourists in four-wheel drive vehicles now trek across the country's game reserves each year in search of wallowing hippos, hunting cheetahs and mating lions.

At one extreme, visitors can arrange their own safaris or joto organised groups to drive around and camp in the country's parks. At the other end of the scale, they can stay in highpriced "tented camps" where they sleep under

We are looking for investors with export-

oriented projects. These may be zone

developer/operators or exporting

enterprises themselves. Enterprises may

be in export manufacturing, commercial or

Kenya provides investors with a

sophiaticated communication and

transport network, a pleasant living

environment, an educated, industrious

labour-force, and market access to the

Zones provide inveators with secure,

modern, aerviced industrial and office

facilities. Already 9 zones have been

designated and several are occupied by a

variety of enterprises. The largest zone in

Athi River was recently completed and is

now leasing building and land to approved

Export processing zones: have the benefits faded?

Further sites are planned

When it comes to enthusiasm for a government programme, Silas Ita is hard to beat. The chief executive of Kenya's export processing zones (RPZs) authority enthuses about their likely success. "We have had more than 300 inquirles," he

says. EPZs were created by law in 1990. The aim was to offer companies ready-to-occupy units, with all necessary infrastructure and a series of incentives, such as exemption for 10 years from income tax, value added

Rue, the security printing com-

pany, to open a significant

operation in Kenya was the

culmination of a liaison with

Africa dating back more than

The British-based company's

first bank-note printing order

was in 1860, from Mauritius, in

1988, it finally resolved to shift

production into a continent

that has long provided it with

Stx years later, the first

batch of 10m bank notes has

Central Bank of Kenya from

the gleaming new marble-and-steel building on the outskirts

of Nairobi. A second batch is

under way, and notes for

another East African country

are also being printed.

But why did the company

decide to locate in Africa, and

in Kenya, with a site on which

it has spent £10m - an invest-

ment it expects to recover

David Chapplow, general

manager, says that growing world demand for the compa-

oy's note-printing abilities

from its factory in Gateshead,

in the north-east of England,

forced it to open a second plant

within the next four years?

substantial business.

130 years.

holding taxes on dividends. Other benefits included: no exchange controls, on-site customs clearance, unrestricted employment of foreigners in senior and skilled positions, and no restrictions on management or technical procedures or the level of foreign invest-

Sameer Industrial Park, the first EPZ to open, is privately owned by Firestone East Africa. Clyde Tabor, managing director, says 12 companies

Why De La Rue located in Africa

Noteworthy decision

moved towards decentralised

printing, opening other sites in

Singapore, Hong Kong and Sri Lanka. "We realised in the

mid-1980s that our printing

seemed to moving to the Far

East, but we had a major cus-

tomer base in up to 40 African

In 1988, the company

resolved to shift

production into a

continent that has long

provided it with

substantial business

countries," he says. "We

wanted to make a significant

investment to strengthen our

commitment to our African

Political stability, economic

growth, geographical location and an educated English-speak-

ing working force were among

the temptations that drew the

been quite a success story

since independence," Mr Chap-

then heard that Kenya was

planning to develop export-pro-cessing zones, and applied for

in addition, the company

plow says.

company to Kenya. "It had

The decision by Thomas De La in Malta in 1974. It gradually

tax, import duties and with- have leased oearly all the ce on the 45-acre site, and that he expects to cover all costs within 10 years. "It's been a good investment."

Pirestone had decided to develop an industrial park in Nairohi beside its existing site, and took advantage of EPZ designation once the legislation was mooted. Sameer provides security and maintenance services, for which it charges \$3.20 a square foot annually.

Mr Tabor highlights one of the principal benefits for com-

permission to obtain one,

granting it access to a deferral

on taxes and a series of other

Mr Chapplow has no qualms

about the results. "Tve got to

say that the nature of our

product is recognised as of suf-

ficient importance that the

government recognises we

require some special atten-tion," he says. "Delays have

been kept to a minimum, and

we've been very impressed by

the co-operation we've received."

that other African countries

may be reluctant to buy from a

company based in Kenya.

"Once people know we're here to stay, we hope there would

be an African continent pride

in having a De La Rue factory

The company's building has

been designed to expand easily

by 30 per cent, and to have

room in the existing space to

house a second set of printing

machinery. It already has the

capacity to print 1m illion bank notes a day, and employs

Andrew Jack

about 100 Kenyan staff.

here. We hope to use it as

showplace for Africa.'

He is sensitive to co

benefits.

quality and cost of the labour force; and the biggest problem as the infrastructure. A further five private EPZ

sites have been planned, while a significant investment in the country has come from Thomas de la Rue, the security prioter, which has been granted the status for a factory on the outskirts of Nairobi. Two large government EPZs are also under way with sup-

port from the World Bank and the African Development Bank: the Athi River Zone. near Nairohi's international airport, which opens this year; and the Mombasa EPZ, in two phases, construction of which is expected to begin this year. A number of business execu-

tives, who preferred not to be named, are rather more sceptical of the attractions of the government's EPZ sites and how rapidly or completely they will be filled. Some of the intial benefits have faded as liberalisation has reduced the advantages over operation in the rest of the country. One of them questioned whether the rents charged would be sufficient, or the level of services adequate

Another, from a company long established in the country, said: "We looked at the idea of moving into one of the zones, hut we found we would just be substituting high customs duties for high rents."

Mr Ita is frank about some of the shortcomings. "We are still moving slowly on how we interface with other organisations," he says. He highlights goods to or from EPZs being delayed at customs, which should not be handling them. He says there are problems with VAT being charged on telephone calls and electricity bills, in spite of the exemption. Looking forward, he says he

The aim of EPZs was to offer companies ready-to-occupy units, with all necessary infrastructure and a series of incentives

wants to see the government's EPZs privatised, though this may fall short of a full sale and amount rather to handing over management, or possibly a lease on the sites, to the private sector,

He says there are no plans by the government to develop additional EPZs, but that it is considering turning Mombasa into a free port, to compete with other centres, such as Rotterdam and Dubai, as "bulk-breaking" centres for repackages large consignments for re-export.

Andrew Jack

LOOKING FOR A LOCATION FOR YOUR EXPORT PROJECT? LOOK NO FURTHER!

service activities

The Export Processing Zones in Kenya provide an excellent opportunity for the enterprising investor.

As an investor in one of our zones you will be entitled to:

 exemption from duty and VAT on inputs

a 10 year corporate tax holiday

- unrestricted investment bu **foreigners**
- earnings access to foreign borrowing

autonomous control of export

- freedom from exchange control restrictions on operation of convertible currency bank accounts
- work permits for technical, training and managerial *expairlates*
- on-site customs clearance of goods at zone

JOIN THE LEADERS COME TO THE EXPORT PROCESSING ZONES

PTA, Africa and the world.

We provide a one-atop shop service to interested investors. We look forward to discussing your investment project with

For more information, contact: The Chief Executive. Export Processing Zones Authority,

P.O. Box 50563, Nairobi Tel: (254-2) 712800 Fax: (254-2) 713704



East Africa Industries is a household name in Kenya just as our parent company Unilever is a household name in countries throughout the world.

It's hardly surprising, since we've been established in Kenya

for more than half a century and now marketing a wide range of outstanding brands through our three consumer divisions.



We're committed to being foremost in understanding and meeting the needs of Kenyan consumers: to improving their well-being.



We're committed to the research, investment and innovation which underpin our ambition and give credibility in the market place.



And importantly we're committed to doing all we can as an active partner in Kenya's economic development. As Kenya grows, EAI grows with her: in short,

KENYA'S FUTURE IS OUR FUTURE





At Kenya Commercial Baok, we listen to you better and serve you jost as weil.

Being the largest and oldest established financial institutioo in Kenya, we have the benefit of experience, and of oomatched resources to put at your disposal.

Throughout our vasi country branch network, we offer a full range of sophisticated banking services, from foreign exchange to private banking.

No hank does better in Кепуа.

Making use of oor global network of 508



husiness such a pleasure in Kenya. Your money will he worth much more with Keoya Commercial Baok. as we offer you:-

correspoodent

worldwide and our

advanced computerized

systems, we give you

access to the uoique

investment opportunities

and asset management

services that reoders

- Competitive interest rates - Fast, efficient service · Persooai and friendly

attention · Peace of miod, knowing

that you are with one of the most reputable hanking

The Bank is KCB For more information contact-

Marketing Manager, Kenya Commercial Bank, Kencom House, P O Box 18400, NAIROBL Telephone: 339441, Telex: 23085, Pax: 338006.

London Representative Office, 1 Hay Hill, Berkeley Square, London WIX 7LF Tcl. 071 493 4842, Telexi-262537 KCB LON G, Fax: 071 408 1641 UK

MING THANKER L ALISTON

~145°(111)

A report predicts a huge increase in deaths from Aids

Disease strikes at the heart of business

it may not yet be as severe as in some of its neighbouring most dangerous threats to economic growth and social stability in Kenya is Aids.

To the casual visitor, evidence of acquired immune deficiency syndrome is limited - a TV advertisement warning, "Say no to unwanted sexual advances; say no to Aids"; a poster with a prostitute tempting a well-dressed Ken-yan, her face a grinning skull

offering the prospect of death. To the policy-makers, the concern runs far deeper. A recent report prepared by the National Aids Control Programme of Keuya suggests that one in every 18 adults aged over 15 is HIV-positive. In urban areas, the proportion is twice as high at 10 to 11 per

cent, or 220,000 people. It estimates that more than 130,000 Kenyans have developed Aids, and that two years ago about 730,000 people were carrying the human immunodeficiency virus that causes the disease - most of whom are expected to develop Aids and die within the next 10 years. This includes 30,000

The report projects that, by 2005, there could be 1.9m HIVpositive Kenyans, and that the cumulative number of Aids deaths would increase from 100,000 today to over 2m ln the same period.

A vicious corollary of Aids, uot eeeu elsewbere in the world, is that the deaths caused by the disease may often be the result not of esoteric atiments but of common and highly infectious tropical killers such as tuberculosis. This not only conceals the fact that Aids may be the root cause, but also risks engendering a netional TB epidemic among those not infected by the disease as well as those

Equally, some researchers believe that the relatively high incidence of other eexually transmitted diseases such as gonorrhea and syphilis within

One problem is that many who are HIV-positive do not know they are infected, since it can take several years before any signs develop. In the meantime, they may con-tinue to transmit the virus to

stigma to the discussinn of homosexnally-transmitted Aids in Africa. However, It appears that in Kenya most transmission comes through heterosexual contact, particularly in groups where the social structure has broken down: it spreads along trucking routes, in war zones and

A recent report suggests that one in every 18 adults aged over 15 is HIV-positive

among rural migrants to cities. More controversially, some academic researchers believe there is a higher incidence of infection among uncircumcised men - a growing group representing about 20 per cent of the population.

A smaller proportion may come through blood transfusion where screening systems and equipment break down, although the government insists that most blood is now screened for HIV.

More worryingly, many chil-dren are becoming infected from their mothers - either during pregnancy or through breast-feeding. Up to half of the children of infected mothers in Kenya are estimated to be infected. Those children who are not

infected do not escape the effects of the disease: many will become so-called Aids orphans, being left without parents by the time they are 15. Official estimates euggest there will be 600,000 euch orphans by 2000 and almost 1m by 2005. This will place additional burdene on extended familles, boost Kenya mey boost HIV-infec- demand for support services

Aids is beginning to have a fundamental impact on the economy more generally. Three quarters of cases affect the most economically productive group within the popula-tion: adults aged 20-45. Companies may be threatened with survival, and agricultural

A study by US researchers two years ago suggested that the average cost of hospital care for an Aids patient was Ks27,200, and the average length of time in hospital far more than for other ailments at 60 days. Aids patients were estimated to be occupying up to 15 per cent of all hospital beds in the country.

At current growth rates, this suggests total hospital costs on Aids Ks3.7bn by the year 2000, and Ks4.8bn by 2005 – up to half of public expenditure on all health care, and about half of all bospital beds, in a threat to provision of services to the rest of the popula tion. Separately, a 1992 World Bank study on AIDS in sub-Sa-haran Africa suggested that if Aids affects the hetter-paid, better-educated economic elite, and consumes medical and funeral costs from savings, investment and economic growth will suffer.

As to the future, the government says it estimates "couservatively" that adult HIV prevalence will stabilise at about 9 per cent by 2000. Some practitioners remain rather more pessimistic. Dr Francis Plummer, a visiting lecturer at ths University of Nairobi over many years, says: "There is no evidence that infection rates are slowing. There is still exponential growth."

He says that surveys within Kenya suggest that education has been remarkably effective, with a high degree of know-ledge of Aids. But this has not been translated into changes in sexual behaviour, except in some limited groups such as

Andrew Jack

Asians have a powerful grip on many sectors of the economy, writes Andrew Jack

'The filling in the sandwich'

What could sum up better the powerful intermingling of Asian and African cultures on the east coast of Africa than a restaurant in Mombasa called the Swahill Curry Bowl?

Long-standing residents, ecocomically indispensable but regarded with suspicion and sometimes hostility, Kenya might hest be seen for the Asians - to borrow an American phrase as less of a melting pot and more of a salad bowl.

Some observers talk about Asians as "the filling in the sandwich", conve-niently providing a political buffer to prevent greater economic domination of ths country by the Kikuyu, Kenya's largest tribe.

It does not take long to see the influence of the group. The ubiquitous black African faces in many organisations belie ultimate control by an Asian or white. Asians have a powerful grip on many sectors of the economy, notably in leisure and tourism, finance, construction and general commerce.

green Peugeot between Nyeri and Nairobi four times a day.

squeezing in eight passengers - plus

additional children wrapped around the

gear lever - at Ks200-250 each in his

Hs pays a commission of about Ks100

a trip to the office, which provides his

customers, insurance of Ks24,000 a year

and a road licence fee. He hopes in a

few years to have saved enough to open

a butcher's or a car repair shop. He also

Mwangi is one of hundreds of thou-

sands of Kenyans not readily visible to

the authorities in their business activi-

ties, and yet who are responsible for

Drive around any city, and the pres-

ence of the informal economy is ublqui-

tous: the presence of the informal ecou-

omy is uniquitous: hawkers, hovering in the road at traffic-lights or street

corners, offering flowers or magazines

for sale; temporary lean-to shacks in

industrial areas selling food and drink

at lunchtimes; eellers of secondhand

clothes lined up in makeshift markets.

There is even a Swahili phrase for the

sector: Jua Kall. Literally, it means

"hot sun" - a reference to the sheet-

metal workers and car mechanics who

traditionally have bashed away at road-

side stalls or under trees, hardly pro-

But there is an enormous official

ambivalence towards the sector. On the

one hand, the government has recog-

nised in innumerable documents and

plans that the jua kali sector is an

tected from the heat.

much of the heat of the economy.

pays no tax.

high-speed "matatu" or shared taxi.

wangi drives his battered

The economic strength of the commu-nity is far out of proportion to their numbers. At the latest census Asians accounted for an estimated 59,000 out of a total population of more than 26m: the largest single ethnic group but far

smaller than the black majority. Yet take an internal flight, eat in a higher-priced restaurant or stay in a comfortable hotel within Kenya, and the proportion of Asian faces rises substantially above these levels.

: Given the proximity to the Indian sub-continent, the east coast of Africa was a logical entrepôt over many centuries for Asians - who are often referred to as "Indians" by black Africans regardless of their country of origin.

Many of the ancestors of today's settlers came from the states of Gujerat and Punjab, and arrived in Kenya as indentured construction workers to help build the railways in the country in the late 19th century for its British colonisers. Others came to settle with the encouragement of the authorities after the second world war.

They tend to live in relatively closed communities. There is little social mixing with other Kenyans and they rarely intermarry. "It would not work," says one Sikh with an arranged Indian marringe whose father came to the country

different religions, cultures, and back-Many have shied away from politics, and often sought support from within their extended family and religious networks for financial backing rather than

turning to the banks. "All the banks

from Punjab in the 1940s. "We are from

want is interest and charges," says one Indian businessman. As a result they are far more closely associated with business than any other aspect of Kenyan society. They have set the moral tone for the government." says one black Kenyan.

The stereotypes can be overplayed. often proved the scapegoat at times of political crisis within Kenya. While mass flight that took place under Idi Amin in neighbouring Uganda during the 1970s, many remember tense pari-

whem premiss Asians point to the "Africanisation" taking place at that time, when Asians - particularly those without Kenyan pessports - found it difficult to obtain licences and permits to trade. There was harassment of individuals, confis-

theavy fight

题句: "北美。"

agent in with the

cation of property and Asian-controlled businesses were taken over. More significantly, they recall 1982 the time of the attempted coup, when there were reports of riots, looting of shops and rapes. It was this perception - as much as any real risk - that caused many familles to send their women to relatives in Tanzania and

elsewhere during the elections in 1992 "We keep ourselves separate," says an Indian Muslim. "The Africans are a very different people. They have the intelligence but don't like taking the responsibility."

Andrew Jack on the informal economy

Invisible energy from 'the hot sun'

and one that needs to be fostered On the other, there are innumerable instances in practice of the premises of jua kali workers being demolished and the individuals concerned driven eway

by city councils in response to demands by landowners to clear patches of land. "Most entrepreneurs see the city as their enemy, not as city fathers. If you drive a city van into the jua kali areas, everyone runs away," says Kimanthi Mutua, managing director of the Kenyan rural enterprise programme, a charity which has provided more than 16,000 loans totalling over Ks160m in the past four years.

Part of the problem is that the phrase is now used so widely - to encompass the original mechanics, retailers, the informal sector or black market, or all "micro" or small and even mediumsized enterprises - that it is impossible to readily summarise its characteristics.

"It is unfortunate that jua kali is sometimes used to mean something sub-standard," says Mr Mutua, "These workers serve a big proportion of the population. They are an important source of quality employment and a nursery for larger businesses."

However, it is a sector that is little

understood and defies easy enumera-tion. A study completed in March attempted for the first time to assess the significance of micro and email businesses within the country. The "Gemini" study (Growth and equity through microenterprise investments and institutions) concluded that previous calculations had under-estimated the

t suggested that there are 910,000 such enterprises, occupying 2m peo-ple, many based in people's homes and 99 per cent with one to 10 workers. Most are agriculturally-based and in rural areas. Nearly half are controlled by women, and few seek formal sources of credit. They are adding 270,000 jobs a year, and 38 per cent are expanding.

These figures are borne out by the work of a number of non-government organisations which have been providing support to the sector. Promotion of Rural Initiatives and Development Enterprises (Pride) has been offering credit-support and training to the sector since the late 1980s.

Jonathan Campaigne, managing director, stresses that he sees himself as an entrepreceur first, and that Pride's

activities are essentially commercial and profit-making. He despairs of the approach of some to encourage enterprise, when he believes it is already evailable in abundance within the comtry through the informal sector.

An increasing number of development agencies are now focusing attention on the informal sector, including the US Agency for International Devel opment – which helped fund the Gem-ini study – and the UK's Overseas Development Administration. More controversially, the World Bank has approved a \$24m programme of vouch-

ers to assist training for the sector. "Recognition of the jua kali sector is overdone," says Mr Mutua. "We are all crying for action." He highlights three areas of greatest political need. The first is premises, and ways in which the authorities allocate and recognise land where workers can build workshops. "I am convinced the shanties in the cities would disappear if they were given land," he says.

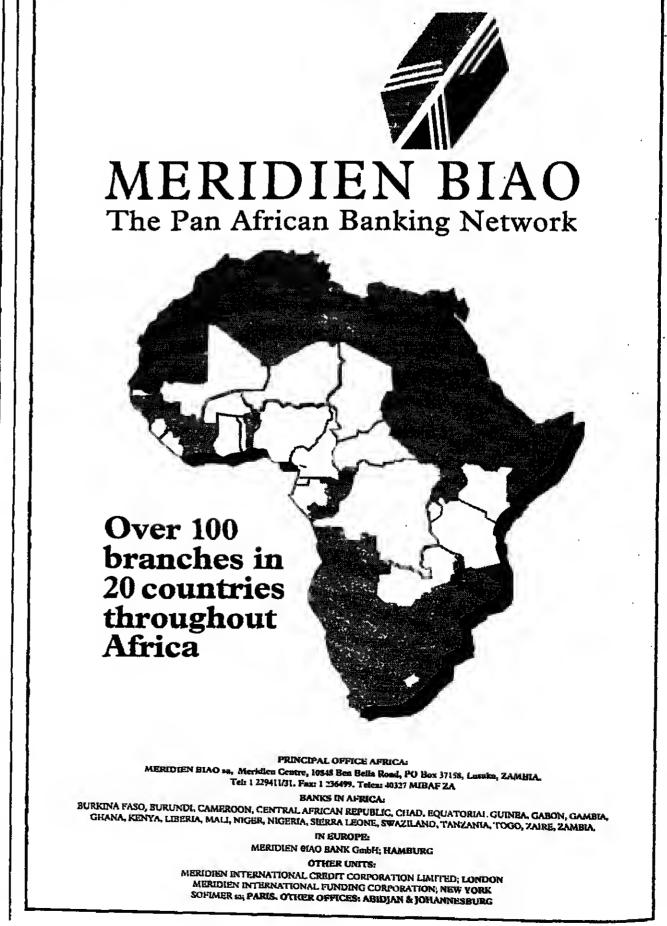
The second is licensing. "There needs to be streamlining to recognise the needs of the sector, rather than two or three different departments with contradictory requirements," be says, edding that licences are generally seen simply as a costly hindrance to many

Third is what he calls measures to develop an "enabling environment" for the sector: incentives, financial support, anti red-tape measures and legislation to tackle hindrances to the support of small business. Other than that, he says, government might do best to "leave well alone".



Kenya has a lot to be proud of. Amongst African nations, Kenya has long been at the helm, taking initiatives which will create a worthwhile heritage for our children. Today, the National Bank of Kenya is taking initiatives which will one day make Kenya a beacon of aspiration to all the peoples of this great continent. National Bank of Kenya. We have a vision of Kenya's future.







National Bank